

# ANNUAL REPORT 2020



**Republic Insurance Company Limited**

রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড



Founder Chairman  
Late Hedayet Hossain Chowdhury  
(1931-2014)



**Republic Insurance Company Limited**  
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

# VISION AND MISSION

## Our Vision

Our vision is to create a meaningful organization with sustainable growth. We aim to achieve new heights in the world of competitiveness in insurance. We believe in qualitative growth balanced with market profitability. Our constant endeavour is to achieve customer satisfaction with consistent quality service and with exemplary responsibility.

## Our Mission

Our mission is to maximize long term shareholders' value, through clients' contentment and employees' commitment to excellence.

# TABLE OF CONTENTS

# CONTENTS

|         |  |
|---------|--|
| 04      | Letter of Transmittal                                      |
| 05      | Notice for the 21st Annual General Meeting                 |
| 06      | Company's Information                                      |
| 07      | Insurable Products   |
| 08-09   | Branches' Information                                      |
| 10      | Board of Directors   |
| 11-17   | Profile of the Board of Directors                          |
| 18      | Sponsor Shareholders                                       |
| 19      | Credit Rating Report of the Company                        |
| 20-21   | Photographs of Virtual AGM 2020                            |
| 22      | Management Team  |
| 23      | Corporate Management Team                                  |
| 24-26   | Financial Highlights & Highlights in Graphs                |
| 27      | Accounting Ratio Pertaining to Insurance Business          |
| 28-29   | Message from the Chairman                                  |
| 30-31   | Message from the Chief Executive Officer [CEO]             |
| 32-42   | Directors' Report  |
| 43-45   | Management Discussion and Analysis                         |
| 46      | Solvency Margin  |
| 47-54   | Compliance Report on BSEC'S Notification                   |
| 55      | Compliance Certificate                                     |
| 56      | Directors' Meeting and Attendance 2020                     |
| 57      | Certificate of BAPLC                                       |
| 58      | CEO & CFO's Declaration to the Board of Directors          |
| 59      | Audit Committee's Report for the year 2020                 |
| 60-72   | Report on Corporate Governance Code [CGC]                  |
| 73-80   | Discloser of the Nomination and Remuneration Policy        |
| 81-85   | Independent Auditor's Report                               |
| 86-87   | Statement of Financial Position                            |
| 88      | Profit and Loss Appropriation Account                      |
| 89      | Statement of Profit or Loss and Other Comprehensive Income |
| 90-91   | Consolidated Revenue Account                               |
| 92-93   | Fire Insurance Revenue Account                             |
| 94-95   | Marine Cargo Insurance Revenue Account                     |
| 96-97   | Marine Hull Insurance Revenue Account                      |
| 98-99   | Motor Insurance Revenue Account                            |
| 100-101 | Miscellaneous Insurance Revenue Account                    |
| 102     | Statement of Changes in Shareholders Equity                |
| 103     | Statement of Cash Flows                                    |
| 104     | Classified Summary of Assets (Form "AA")                   |
| 105-132 | Notes to the Financial Statements                          |
| 133     | Schedule of property, plant & equipment                    |
| 134     | Schedule of intangible assets                              |
| 134     | Schedule of right-of-use assets                            |
| 135     | Schedule of cash at bank                                   |
| 136     | Schedule of cash in hand                                   |
| 137     | Net Assets Value   |
| 138     | Statement of Solvency Margin (From-SM)                     |
| 139     | Proxy Form   |



# LETTER OF TRANSMITTAL

All Shareholders,  
Bangladesh Securities and Exchange Commission (BSEC),  
Insurance Development and Regulatory Authority (IDRA),  
Registrar of Joint Stock Companies & Firms (RJSC),  
Dhaka Stock Exchange Limited (DSE), and  
Chattogram Stock Exchange Limited (CSE)

Subject: Annual Report for the year ended on December 31, 2020.

Dear Sir(s):

Enclosed please find a copy of the Annual Report together with Audited Financial Statements which comprises of Statements of Financial Position as at December 31, 2020 and the related Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous Insurance Revenue Accounts as well as Statement of Profit or Loss and other Comprehensive Income, Profit and Loss Appropriation Account, Statement of Cash Flows and Statement of Changes in Shareholders Equity for the year ended on December 31, 2020 along with notes thereon of Republic Insurance Company Limited for kind information and record.

Best regards,

Yours sincerely,

**Sajan Kumar Basak**  
DMD & Company Secretary

# NOTICE FOR THE 21ST ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting (AGM) of Republic Insurance Company Limited will be held virtually by using digital platform through the link <https://republicinsurance.bdvirtualagm.com> on Tuesday, July 27, 2021 at 11:00 AM to transact the following business:

01. To receive, consider and adopt the Directors' Report, the Audited Accounts for the year ended on December 31, 2020 and the Auditors' Report thereon.
02. To declare Dividend for the year 2020 as recommended by the Board.
03. To elect Directors in place of retiring Directors from sponsors "Group-A", to elect Directors from the public shareholders "Group-B" and to appoint Independent Director of the Company.
04. To appoint Statutory Auditors for the year 2021 and fix their remuneration.
05. To appoint Compliance Auditor for the year 2021 and fix their remuneration.

Dated: July 12, 2021

By Order of the Board of Directors



**Sajan Kumar Basak**  
DMD & Company Secretary

## **NOTES:**

- (i) The "Record Date" is fixed on June 24, 2021. The Shareholders, whose names will appear in the Share register of the Company at the close of business on the record date, will be eligible to attend the meeting and dividend.
- (ii) Pursuant to the Bangladesh Securities & Exchange Commission's Order No. SEC/SRMIC/04-231/932 dated: March 24, 2020, the AGM will be virtual meeting of the Members, which will be conducted via live webcast by using zoom digital platform. The detailed procedures to attend the meeting will be communicated to the shareholder's e-mail ID in due course and it will also be available on the Company's website at [www.riclb.com](http://www.riclb.com)
- (iii) For login to the system, the Members need to put their 16-digit Beneficial Owners (BO) ID Number and other credentials as proof of their identity by visiting the link: <https://republicinsurance.bdvirtualagm.com>. The Members will be able to submit their questions/comments electronically 24 hours before commencement of the AGM and during the AGM.
- (iv) The Members are encouraged to login to the system prior to the meeting at 11:00 AM on Tuesday, July 27, 2021. The webcast will start at 11:00 AM Members may contact Mobile no. +8801721047904 for any IT related guidance in accessing the virtual meeting and/or share related issue.
- (v) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD /2006- 158/208/Admin/81 dated June 20, 2018, the soft copy of the Annual Report-2020 has already been sent to the e-mail address of the Members available in their Beneficial Owners (BO) accounts maintained with the depository. These are also available in the Company's website at: [www.riclb.com](http://www.riclb.com).
- (vi) A member eligible to attend the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. No person shall act as proxy unless he/she is entitled to be present and vote in his/her own right. The "Proxy Form" duly filled, signed and stamped at BDT 20/- must be sent through e-mail to Republic Insurance Company Limited share department at [info@riclb.com](mailto:info@riclb.com) no later than 48 hours before commencement of the AGM.
- (vii) Members are requested to notify their changes of address, if any.

# COMPANY'S INFORMATION

Republic Insurance Company Limited is a third generation private sector in non-life insurance company. It is a well known, trusted and leading name in the general insurance sector of the country. Republic Insurance Company Limited was incorporated as a public limited company on May 18, 2000 under Companies Act, 1994. It obtained registration from Insurance Development & Regulatory Authority (IDRA) (The then Chief Controller of Insurance, Government of Peoples Republic of Bangladesh) on May 30, 2000.

The Company is listed with Dhaka Stock Exchange Ltd. (DSE) and Chattogram Stock Exchange Ltd. (CSE) as a publicly traded company. The Company carries its insurance activities through 30 (Thirty) online branches spread across the country.

|   |                                     |
|---|-------------------------------------|
| Name of the Company   | Republic Insurance Company Limited  |
| Legal Form  | Public Limited Company              |
| Company's Registration Number   | C-40290 (2258)/2000                 |
| Certificate of Incorporation  | May 18, 2000                        |
| Obtained Certificate for Commencement of Business                         | May 18, 2000                        |
| Date of License Issued by the office of the Chief Controller of Insurance | May 31, 2000                        |
| Date of Publication of Prospectus (IPO)                                   | August 4, 2008                      |
| Agreement Signed with CDBL  | August 10, 2008                     |
| Listed with Chattogram Stock Exchange Ltd. (CSE)                          | January 7, 2009                     |
| Listed with Dhaka Stock Exchange Ltd. (DSE)                               | January 14, 2009                    |
| Trading of shares on DSE  | January 18, 2009                    |
| Trading of shares on CSE  | January 18, 2009                    |
| Issuance of First Bonus Share   | July 27, 2010                       |
| Number of Branches  | 30                                  |
| Authorized Capital  | 1,000,000,000                       |
| Paid up Capital   | 463,722,280                         |
| Earnings per Share (EPS) in 2020 (Restated)                               | 2.36                                |
| Net Asset value per Share (NAV) in 2020                                   | 16.18                               |
| Dividend declared for the year 2020                                       | 7% Cash and 7% Stock                |
| Credit Rating for the year 2020-2021                                      | AA- (Long-term) & ST-2 (Short-term) |

## HEAD OFFICE:

HR Bhaban (6th & 9th Floor), 26/1, Kakrail, Dhaka-1000, Bangladesh

PABX : +88 02 58313334 - 8, Fax: +88-02-48318060

E-mail: info@riclbd.com, Web: www.riclbd.com

Hotline: 09606 101101

# INSURABLE PRODUCTS

|                         |   |
|-------------------------|---|
| MOTOR INSURANCE         | <ul style="list-style-type: none"> <li>Commercial Vehicle</li> <li>Motor Insurance for Private Vehicle</li> <li>Motor Insurance for Cycle/Scooter</li> <li>Motor Insurance Class “D”</li> </ul>   |
| FIRE INSURANCE          | <ul style="list-style-type: none"> <li>Fire Insurance (Including Allied Perils)</li> <li>Industrial All Risks (IAR)</li> <li>Fire Insurance Consequential Loss</li> <li>Fire Insurance Dwelling</li> <li>House and Contents</li> <li>Fire Insurance Hotel Combined</li> <li>Hotel Owners All Resks Insurance</li> <li>Power Plant Insurance</li> </ul>  |
| MARINE CARGO INSURANCE  | <ul style="list-style-type: none"> <li>Marine Cargo Insurance transit by Steamer or Powered Vessel (Import/Export)</li> <li>Marine Cargo Insurance transit by Rail/Lorry/Truck (Import/Export)</li> <li>Marine Cargo Insurance transit by Inland Rail or Road Conveyance</li> <li>Marine Cargo Insurance transit by Inland Cargoes (water borne)</li> <li>Marine Cargo Insurance transit by Air Cargo (Import/Export)</li> </ul>  |
| HULL INSURANCE          | <ul style="list-style-type: none"> <li>Marine Hull (TLO) Insurance</li> <li>Marine Hull (TC) Insurance</li> <li>Aviation Hull Insurance</li> <li>Aircraft Liabilities Insurance</li> </ul>  |
| ENGINEERING INSURANCE   | <ul style="list-style-type: none"> <li>Machinery Insurance (Machinery Breakdown)</li> <li>Deterioration of Stock (DOS)</li> <li>Boiler and Pressure Vessel (BPV)</li> <li>Electronic Equipment Insurance (EEI) Erection</li> <li>Erection all risks (EAR)</li> <li>All Risks (AR)</li> <li>Contractor’s All Risks (CAR)</li> <li>Engineering Insurance Consequential Loss</li> <li>Contractors Plant &amp; Machinery Insurance (CMP)</li> </ul>   |
| MISCELLANEOUS INSURANCE | <ul style="list-style-type: none"> <li>Burglary &amp; House Breaking Insurance</li> <li>Money Insurance: <ul style="list-style-type: none"> <li>Cash in Safe (CIS)</li> <li>Cash in Transit (CIT)</li> <li>Cash on counter (COC)</li> <li>Cash in ATM Booth (CAB)</li> </ul> </li> <li>People Personal Accident (PPA)</li> <li>Personal Accident Policy (PAP)</li> <li>Safe deposit Box (Bank Lockers)</li> <li>Workmen’s Compensation (WC)</li> <li>Business Interruption</li> <li>Fidelity Guarantee Insurance</li> <li>Public Liability (PL) Professional Liability,</li> <li>Overseas Medical Insurance (Non Sgengen)</li> <li>All Risk Insurance</li> <li>Public &amp; Professional Indemnity Liability</li> <li>Professional Indemnity Liability</li> <li>Consequential Loss Insurance</li> <li>Plate Glass Policy</li> <li>Automobile Liability Insurance</li> </ul> |

# BRANCHES' INFORMATION

## Head Office Cell

Md. Abu Kawsar Bhuiyan  
Senior Executive Vice President  
HR Bhaban (6th Floor), 26/1, Kakrail, Dhaka  
Ph: +88 02 22223331, Cell: 01552406359,  
E-mail: riclkawsar@gmail.com, hoc@riclbd.com

## Principal Branch

Md. Ziaur Rahman (Miron)  
Senior Executive Vice President  
HR Bhaban (6th Floor), 26/1, Kakrail, Dhaka  
Ph: +88 02 48319108, Cell: 01712674197  
E-mail: elephantroad4@gmail.com, principal@riclbd.com

## Local Office

Md. Rukunuzzaman  
Senior Executive Vice President  
HR Bhaban (6th Floor), 26/1, Kakrail, Dhaka  
Ph: +88 02 48315153, Cell: 01913392464  
E-mail: local@riclbd.com, riclocaloffice0@gmail.com

## Malibagh Branch

Mohsinuzzaman Chowdhury  
Senior Executive Vice President  
HR Bhaban (6th Floor), 26/1, Kakrail, Dhaka  
Ph: +88 02 48316073, Cell: 01715145277  
E-mail: riclmalibagh@gmail.com, malibagh@riclbd.com

## VIP Road Branch

Md. Abdul Jabbar Mridha  
Senior Executive Vice President  
Ally's Center (8th Fl), 40, Bijoy Nagar, Paltan, Dhaka  
Ph: +88 02 48312498, Cell: 01711221501  
E-mail: riclviproad@gmail.com, viproad@riclbd.com

## Paltan Branch

Md. Shamsuddin  
Senior Executive Vice President  
Ibrahim Mansion (4th Fl), 11, Purana Paltan, Dhaka  
Ph: +88 02 9571487, Cell: 01911385686  
E-mail: riclpaltan@gmail.com, paltan@riclbd.com

## BB Avenue Branch

Md. Ataullah Fakir  
Senior Executive Vice President  
Hamid Mansion (3rd Fl), 29, B.B. Avenue, Dhaka  
Ph: +88 02 9566686, Cell: 01819271447  
E-mail: riclbb@gmail.com, bbavenue@riclbd.com

## Motijheel Branch

T.M. Mahabub Rashid  
Senior Executive Vice President  
Ali Bhaban (7th Fl), 9, Rajuk Avenue, Motijheel/CA, Dhaka  
Ph: +88 02 9570837, Cell: 01711443308  
E-mail: riclmotijheel@gmail.com, motijheel@riclbd.com

## Motijheel Corporate Branch

Hafez Md. Nazmul Huda  
Senior Executive Vice President  
1/B, D.I.T Avenue (5th Fl), Room # 504, Motijheel C/A, Dhaka  
Ph: +88 02 9585497, Cell: 01817016417  
E-mail: riclmcb44@gmail.com, mcb@riclbd.com

## Dilkusha Branch

Khan Mukhlesur Rahman  
Deputy Managing Director  
15, Dilkusha C/A, Zahed Ali Tower (8th Fl), Dhaka  
Ph: +88 02 9554690, Cell: 01819272373  
E-mail: ricldilkusha123@gmail.com, dilkusha@riclbd.com

## Hatkhola Branch

Md. Sirajul Islam Bhuiyan  
Deputy Managing Director  
Rahman Mansion (2nd Fl.) 161, Motijheel C/A, Dhaka  
Ph: +88 02 9576198, Cell: 01552475504  
E-mail: riclhkb@gmail.com, hatkhola@riclbd.com

## Imamgonj Branch

Md. Romen Ahmmed  
Vice President  
AGI. Business Center, (4th Fl), 81/B-1, Chankharpool, Dhaka  
Ph: +88 02 57300229, Cell: 01716293916  
E-mail: romenahmed9@gmail.com, imamgonj@riclbd.com

## Elephant Road Branch

Md. Nazim Uddin  
Senior Executive Vice President  
Iris Norjehan (3rd floor, A-3), 104 Kakrail, Dhaka  
Ph: +88 02 48313075, Cell: 01816048971  
E-mail: nazimuddin.ele@riclbd.com, elephantroad@riclbd.com

## Farmgate Branch

Chowdhury Nazmul Ahsan  
Senior Executive Vice President  
Dhaka Trade Center (5th Floor), 99, Kazi Nazrul  
Islam Avenue, Kawran Bazar, Dhaka, Bangladesh  
Ph: +88 02 55013244, E-mail: farmgate@riclbd.com

## Rampura Branch

Mamun Ahmed Muqtada  
Executive Vice President  
Shahjalal Bannijik Complex (4th Fl) 80/A, Siddeswari Circular Road, Dhaka  
Ph: +88 02 9344158, Cell: 01819299945  
E-mail: riclrampura@gmail.com, rampura@riclbd.com

## Gazipur Branch

Md. Noore Alam Siddique  
Senior Vice President  
Gazipur Bhaban (2nd Fl), (near Padma Tower), Gazipur Chowrasta, Gazipur  
Ph: +88 02 9294289, Cell: 01720021783  
E-mail: gazipur012@gmail.com, gazipur@riclbd.com

# BRANCHES' INFORMATION

## **Agrabad Branch**

Mohammed Nasir Uddin  
Senior Executive Vice President  
K.N. Tower (3rd Fl), 18, Agrabad C/A, Badamtoli Mor, Chattogram  
Ph: +88 031 727734, Cell: 01815926830  
E-mail: riclagra@gmail.com, agrabad@riclbd.com

## **Bogura Branch**

Mir Md. Mehedi Hasan  
Deputy Manager  
M.A. Khan Lane, Dr. Anisul Haque Building (3rd Fl), Sathmatha, Bogura  
Ph: +88 051 69341, Cell: 01716303641  
E-mail: ricl.bogra.bd@gmail.com, bogra@riclbd.com

## **Jubilee Road Branch**

Md. Salim Uddin  
Senior Executive Vice President  
Well-Bing Ltd., (6th Fl) 263, Jubilee Road, Chattogram  
Ph: +88 031 2852518, Cell: 01818921350  
E-mail: ricljrbctg@yahoo.com, jubileeroad@riclbd.com

## **Rangpur Branch**

Md. Ariful Islam  
Vice President  
Karnaphuli Bhaban (1st Fl), 90, Station Road, Rangpur  
Ph: +88 0521 65986, Cell: 01760882901  
E-mail: republicinsurance20@gmail.com, rangpur@riclbd.com

## **Khatungonj Branch**

Md. Mosharraf Hossain  
Senior Executive Vice President  
K.N. Tower (3rd Fl), 18, Agrabad C/A, Badamtoli More, Chattogram  
Ph: +88 031 716543, Cell: 01819351116  
E-mail: republicktg17@gmail.com, khatungonj@riclbd.com

## **Naogaon Branch**

Ms. Mahmuda Khatun  
Executive Office  
Shorma Shopping Center, Vill- Tula Patti, Naogaon  
Ph: +88 0741 62901, Cell: 01705285555  
E-mail: riclnaogaon@gmail.com, naogaon@riclbd.com

## **Satkhira Branch**

Khan Mahfuzur Rahman  
Assistant Vice President  
Kaman Nagar, Itagacha Bazar Mor, Satkhira  
Ph: +88 0471 63131, Cell: 01711228549  
E-mail: riclsatkhira@gmail.com, satkhira@riclbd.com

## **Chapai Nawabgonj Branch**

Md. Rafiqul Islam (Tutul)  
Senior Vice President  
Smriti Plaza, Boro Indra Mor, Chapainawabgonj  
Ph: +88 078 152038, Cell: 01712822038,  
E-mail: rafiqultutul@gmail.com, chapai@riclbd.com

## **Kushtia Branch**

Md. Robiul Islam (Dolon)  
Vice President  
55/1, Lovely Tower (9th Floor), N.S. Road, Kushtia  
Ph: +88 0717 3127, Cell: 01715211525  
E-mail: kushtia22ricl@gmail.com, kushtia@riclbd.com

## **Sylhet Branch**

Md. Mahbubur Rahman Chowdhury  
Vice President  
Salim Mansion (1st Floor), Mendibagh, Sylhet  
Ph: +88 0821 726702, Cell: 01715860842  
E-mail: riclsylhet@gmail.com, sylhet@riclbd.com

## **Khulna Branch**

Md. Shamsuddoha Khan  
Deputy Managing Director  
1.P.C Roy Road, Khulna  
Ph: +88 024 4110847, Cell: 01920786666  
E-mail: riclkhulna@gmail.com, khulna@riclbd.com

## **Barishal Branch**

86, Talukder Mansion (4th Floor), Sadar Road, Barishal  
Ph: +88 043 164327  
E-mail: riclbarisal@gmail.com, barisal@riclbd.com

## **Jashore Branch**

Sheikh Assaduzzaman Liton  
Vice President  
M.S Orchid Center (6th Fl), 44, M.K. Road, Kotwali, Jashore  
Ph: +88 0421 63179, Cell: 01708568575  
E-mail: ricljessore@gmail.com, jessore@riclbd.com

## **Rajshahi Branch**

House # 595, Sheroeel Ghoramara-6100,  
Boalia, Rajshahi

# BOARD OF DIRECTORS

## Chairman

Mr. Mohd. Hanif Chowdhury

## Vice Chairman

Mr. S.M. Shafiul Hoque

## Directors

Mrs. Hasina Gazi

Mr. Sadeque Hossain Chowdhury

Mr. Saber Hossain Chowdhury, MP

Mr. Feroz U. Haider

Mrs. Khurshida Rahman

Mrs. Shahin Haider

Mrs. Rehana Chowdhury

Mr. Mahboob Ur Rahman

## Independent Directors

Mr. Md. Arshed

Mr. Md. Abdur Rouf [Appointed as on May 25, 2021]

## Chief Executive Officer (CEO)

Mr. Sahid-UI-Hasan

BOARD OF DIRECTORS

# PROFILE

## OF THE BOARD OF DIRECTORS



**Mohd. Hanif Chowdhury**  
Chairman

Mr. Mohd. Hanif Chowdhury is a renowned businessman of the country. He obtained his B.Sc degree under Chattogram University in 1976. He started his business career in 1980 in Garments sector. Then he explored his business in Textile sector. Presently he is the Group Chairman of Unitex Group. He is the Chairman of Unitex Spinning Ltd. (unit-1 & unit-2), Unitex Composite Mills Ltd., HS Composite Textile Ltd., Unitex LPG Ltd., Unitex Steel Mills Ltd. and Unitex Petroleum Ltd. He was the Vice Chairman of NRB Global Bank Ltd. and Director of Bangladesh Commerce Bank Ltd. Mr. Chowdhury is involved in various social activities in the country. He is the founder of Al-Madrasatul Islamia Jamiatul Ulom Bhingrol.



**S.M. Shafiul Hoque**  
Vice Chairman &  
Chairman, Claims Committee

Mr. S.M. Shafiul Hoque is a renowned businessman who after obtaining graduation started his business career. He has been engaged mostly in Garments & Textile business. He is the Chairman of Integral Apparels Ltd., Director of Combined Texwear Ltd. and Mission Apparels Industries Ltd. Mr. Hoque is the former Vice President of Chattogram Chamber of Commerce & Industries (CCCI). Mr. Shafiul Hoque was the Chairman of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) airport cell, Chattogram. He is carrying out duties as a Vice Chairman for Projonmo Chattogram regional board as well as active member of BSCIC Shilpo Malik Samity, Kalurghat, Chattogram, Bangladesh.

## PROFILE OF THE BOARD OF DIRECTORS



**Hasina Gazi**  
Director

Mrs. Hasina Gazi graduated from the University of Dhaka. She is a successful entrepreneur who on completion of her education started business. She is also the Director of Gazi Rim, Gazi Fan, Gazi Plastic, Gazi Rubber Industries and Gazi Kitchenware. She is the proprietor of Pappa Traders. She is also Director of Gazi Group of Industries and wife of Mr. Golam Dastagir Gazi (Bir Protik) MP, Managing Director of Gazi Group of Industries. She is the President and donor member of different Schools and Colleges in Rupgonj, Narayangonj and Jamalpur. She is actively involved in social welfare of working women in different zones in Rupgonj, Narayangonj. She is the honorable Mayor at Tarabo Pourasava, Rupgonj Narayangonj.



**Sadeque Hossain Chowdhury**  
Director

Mr. Sadeque Hossain Chowdhury is a successful businessman of the country. He obtained his B.Sc (Engineering) Degree from the University of London, UK and MBA Degree from the University of Aston, Birmingham, UK. He has been engaged in business in different sectors. He is the Managing Director of Multidrive Ltd., Multidrive Electronics Ltd., Multidrive Industries Ltd., Motodrive Ltd., Motodrive Industries Ltd., Medidrive Ltd., Travelscene Ltd. and he is also the Director of K & T Logistics Ltd., Regensea Lines Ltd., Container & Terminal Services Ltd., Finvest Services Ltd., Smart Ltd. and British Motors Bangladesh Ltd. He is the member of the Institute of Electrical Engineers (IEE), UK, American Management Association (AMA) and Kurmitola Golf Club, Dhaka.

## PROFILE OF THE BOARD OF DIRECTORS



### **Saber Hossain Chowdhury, MP**

Director

Mr. Saber Hossain Chowdhury is a Director of Republic Insurance Company Ltd. Mr. Chowdhury holds Bachelor degree in Political Science and Economics from London University and L.L.B from Westminster University, London. He is also the Vice Chairman of GSP Finance Company (Bangladesh) Limited representing Karnaphuli Industries Limited. He was elected as Member of 7th Jatio Sangsad (National Assembly), 9th Jatio Sangsad, 10th Jatio Sangsad and again he has been elected as Member of 11th Jatio Sangsad. He is the Chairman of Standing Committee on Ministry of Environment, Forest and Climate Change of 11th Jatio Sangsad, Government of the People's Republic of Bangladesh. He was Deputy Minister of Shipping of the Govt. of the People's Republic of Bangladesh from December 1996 to March 1998 and thereafter acted as Deputy Minister of Local Government & Rural Development (LGRD) till July 2001. He was also a Member of the Parliamentary Committee for the Ministry of Sports and Cultural Affairs for the term of 1996-2001. During his tenure as the Member of the Parliament and also as the Deputy Minister, he was widely acclaimed as having acted with honesty and integrity, thereby holding high image of his Constitutional Positions. He is also the Managing Director of Karnaphuli Group of Companies and HR Lines Ltd., one of the ocean going vessels of Shipowners companies in Bangladesh. He is also a Director of K&T Logistic Limited. He was also a Director of Mercantile Bank Ltd. He was the 28th President of Inter-Parliamentary Union (IPU). He has again been elected to the same position on October 16, 2014 for a term of 3 years. He has been awarded by Russian President Mr. Putin, 'The Order of Friendship' the highest award of Russia. He is the first Bangladeshi to have been elected to this highest office of global parliamentary leadership. At present Mr. Saber Hossain Chowdhury, MP is the Honorary President of Inter-Parliamentary Union (IPU).

## PROFILE OF THE BOARD OF DIRECTORS



**Feroz U. Haider**

Director

Mr. Feroz U. Haider is a renowned international banker with experience in very senior positions in financial institutions in South East Asia. He started his banking career in 1967 with United Bank Limited (now Janata Bank) after his graduation from University of Dhaka and worked till 1975. From 1976 to 1978 he was the General Manager of Gulf Finance Company Limited, Hong Kong. He was the Managing Director of GSP Finance Company Limited, Hong Kong and GSP International Limited, Vanuatu. From 1989 to 1996 he was the Chairman of GSP International Limited, Vanuatu and President of Thai Prasit Insurance Company Limited, Hong Kong (now Mittare Insurance Co. Ltd.). From the date of incorporation (October 29, 1995) of GSP Finance Company (Bangladesh) Limited, he served as Chairman and Managing Director. And Since 2008 he is working as Chairman of the Company.



**Khurshida Rahman**

Director

Mrs. Khurshida Rahman is a renowned entrepreneur who after completion of her education started business. She has been engaged in business since long. She is the Director of Business King Limited and owner of Kashfia Plaza. She is one of the Sponsors of the Company. She is involved in various social activities in the Country.

## PROFILE OF THE BOARD OF DIRECTORS



### **Shahin Haider**

Director

Mrs. Shahin Haider obtained Degree in Home Economics from Croydon Technical College, Croydon, London, UK and is engaged in business in different sectors. She is a Director of S.F. Haider Foundation Ltd. She is the wife of Mr. Feroz U. Haider, Chairman of GSP Finance Company (Bangladesh) Limited.



### **Rehana Chowdhury**

Director &  
Chairman, Executive Committee

Mrs. Rehana Chowdhury is the Director and Chairman Executive Committee of Republic Insurance Company Limited. She completed graduation from Dhaka University. She is the wife of Mr. Saber Hossain Chowdhury, MP. She is the Director of Karnaphuli Group of Companies. She is also the Director of Regen Sea Lines Ltd., Container & Terminal Services Ltd., Marco Shipping Company Ltd., Easy Fly Ltd., Voice Tel Ltd., HR Holding Ltd. and HR Lines Ltd., one of the ocean going vessels of Shipowners companies in Bangladesh. She is involved in various social activities in the country.

## PROFILE OF THE BOARD OF DIRECTORS



**Mahboob Ur Rahman**

Director

Mr. Mahboob Ur Rahman is an innovative entrepreneur running four leading companies in entertainment, hospitality, construction and information technology sector in Bangladesh. Educated in the United States of America in Information Technology and trained as an Executive MBA from Helsinki School of Economics in Finland. Mr. Rahman is leading changes and creating values with innovative business ideas and technologies in Bangladesh. Mr. Rahman is the Founder Chairman of Show Motions Limited, the first modern multiplex cinema theater in Bangladesh under the STAR Cineplex brand. He is a founder Member of BASE Ltd., a leading ITES firm render service to information technology solutions, consulting services in management and finance and technical training to enterprises and government in Bangladesh. In Finland Mr. Rahman co-founded IT Services Company and assisted the Finnish companies to set up an offshore development center in Bangladesh. Since 1999, in the capacity of Managing Director, Mr. Rahman has been leading GasMin Limited, one of the largest Gas Pipeline Construction firm in the country completing many large projects in Gas Pipeline, Drill Pad Development and Civil Structures. Mr. Rahman is the founder of Sayeman Holding Limited with a vision to build, operate and own several destination resorts in Bangladesh. He is also the Managing Director of Sayeman Beach Resort Limited the most remarkable beachfront hotel in Cox's Bazar, Bangladesh.



**Md. Arshed**

Independent Director & Chairman

Audit Committee and Nomination & Remuneration Committee (NRC)

Mr. Md. Arshed was born in a respectable Muslim family in 1971 at Chatto-gram. He is a renowned businessman in the Country. After completion of Graduation, he started his career in business. He is the Chairman of C & A Dietary & Hospitality Ltd. and Director of Bangladesh Commerce Bank Ltd. He is the Managing Director of C & A Real Estate Ltd., C & A Energy Ltd., C & A Dairy Ltd., Khalid Enterprise Ltd., C & A Agro Ltd., C & A Court Yard Ltd., C & A Beverage Ltd., and nominee Director of Times Securities Ltd. He is also the Managing Director of Armada Spinning Mills Ltd. He is the Managing Partner of S & A Bay of Bengal. He travelled many countries on business ground. Mr. Arshed is involved in various social activities in the country.

## PROFILE OF THE BOARD OF DIRECTORS



**Md. Abdur Rouf**  
Independent Director

Mr. Md. Abdur Rouf is the Independent Director of Republic Insurance Company Limited. He was appointed on May 25, 2021 in its 130th Meeting of the Board of Directors of the Company. He was born in 1958 at Barishal. He completed M.com (Management) in 1983 under Dhaka University. He has been serving different Government Organizations. Mr. Rouf was the Managing Director of Karmasangsthan Bank and Chief Executive Officer (CEO) of BD Finance Securities Limited & ICB Capital Management Ltd. He was also the Deputy Managing Director of Sonali Bank Limited and General Manager of Investment Corporation of Bangladesh (ICB). Mr. Rouf was the Nominee Director of Standard Bank Securities Ltd., The Acme Laboratories Ltd., Golden Son Ltd., Navana CNG Ltd., Aramit Ltd., and Energypac Ltd. He is the lifetime Member of the Institute of Bankers, Bangladesh (IBB) and Barishal Zila Samity. He participated various seminars and training programs like Financial Management, Anti-Money Laundering and Human Behaviour & Discipline in outside and inside the country. Mr. Rouf is involved in various social activities in the country.



**Sahid-UI-Hasan**  
Chief Executive Officer (CEO)

Mr. Sahid-UI-Hasan is the Chief Executive Officer (CEO) of the Company. He obtained MBA degree major in Marketing in 2001. He attended various national and International Training and Workshop Program on Re-Insurance Management, Oil & Energy insurance, Technical Program in General Insurance, Marine Insurance organized by General Insurance Corporation of India (GIC), Insurance Institute of India and Bangladesh Insurance Academy. He started his career in 1997 and has more than 23 years experience in insurance sector.

# SPONSOR SHAREHOLDERS



Mr. Golam Dastogir Gazi  
Bir Protik, MP



Mr. S.M. Fazlul Hoque



Mrs. Shahella Rashid



Mrs. Naheem Hossain  
Chowdhury



Mr. Gazi Golam Ashria



Mr. S.M. Akramul Hoque

# CREDIT RATING REPORT OF THE COMPANY



August 24, 2020

Managing Director & CEO  
Republic Insurance Company Limited  
HR Bhaban (6th & 9th Floor),  
26/1, Kakrail, Dhaka-1000

Subject: Credit Rating of Republic Insurance Company Limited.

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating) has assigned the following rating to Republic Insurance Company Limited.

| Date of Declaration | Valid Till      | Rating Action | Long Term Rating | Short Term Rating | Outlook |
|---------------------|-----------------|---------------|------------------|-------------------|---------|
| August 24, 2020     | August 23, 2021 | Surveillance  | AA-              | ST-2              | Stable  |

The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to Republic Insurance Company Limited, hereby solemnly declare that:

- (i) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- (ii) We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

With kind regards,

Mainul Islam Chowdhury FCCA  
Chief Operating Officer

# PHOTOGRAPHS OF VIRTUAL AGM 2020

Republic Insurance Company Limited  
 ২০<sup>th</sup> Annual General Meeting 2020 (Virtual Platform) | ২০তম বার্ষিক সাধারণ সভা ২০২০ (ভার্চুয়াল প্ল্যাটফর্ম)

সরাসরি সম্প্রচার / Live Streaming

Participants: Muhammad Hanif Chowdhury, Howo Room, Sajid Kumar Basak (CS), Feruza Hossain, HASMA GAZI, KHURSHIDA RAHMAN, Shahid Haque, Phone...

Zoom

|   |   |
|---|---|
| <p>শেয়ারহোল্ডারগণের মোট উপস্থিতি<br/>Total Attendance of Shareholders</p> <p>247</p> | <p>উপস্থিত শেয়ারহোল্ডারগণের মোট শেয়ার সংখ্যা<br/>Total Shares of Attendee Shareholders</p> <p>9749292</p> |
|---|---|

প্রস্তাব এক: মতামত

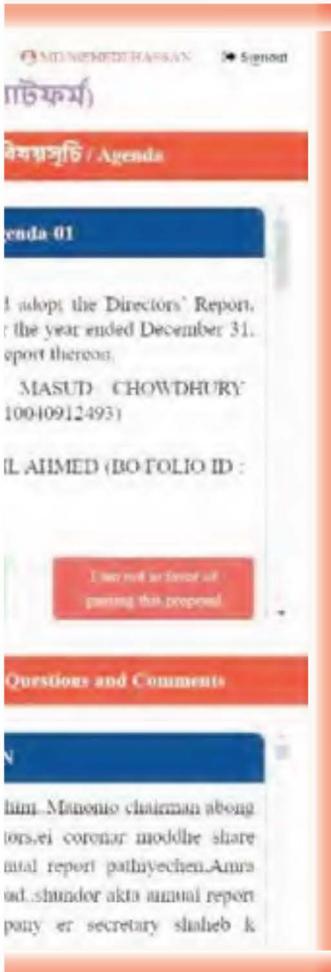
Name: AZAD AHASA

Bismillah; Rohmanur R...  
 uposthit board of direc...  
 holder Der' thikamay a...  
 peyechi...ajonno dionno...  
 toiri korar Joumo con...

[ভার্চুয়াল প্ল্যাটফর্ম - এজিএম ২০২০]



[সম্মানিত চেয়ারম্যান জনাব মোহঃ হানিফ চৌধুরী শেয়ারহোল্ডারবৃন্দের উদ্দেশ্যে বক্তব্য প্রদান করছেন]



[সম্মানিত মুখ্য নির্বাহী কর্মকর্তা জনাব সহিদ-উল-হাসান শেয়ারহোল্ডারবৃন্দের বিভিন্ন প্রশ্নের জবাব দিচ্ছেন]



# MANAGEMENT TEAM

## MANAGEMENT TEAM

|   |   |
|---|---|
| <b>Chief Executive Officer</b>          | Mr. Sahid-UI-Hasan  |
| <b>Deputy Managing Directors</b>        | Mr. Sajan Kumar Basak (Company Secretary)<br>Mr. Md. Sirajul Islam Bhuiyan<br>Mr. Khan Mukhlesur Rahman<br>Mr. Md. Shamsuddoha Khan   |
| <b>Senior Executive Vice Presidents</b> | Mr. Md. Shamsuddin<br>Mr. Ataullah Fakir<br>Mr. Md. Rukunuzzaman<br>Mr. Md. Ziaur Rahman (Miron)<br>Mr. Mohammed Nasir Uddin<br>Mr. Md. Abdul Jabbar Mridha<br>Mr. Md. Mosharaf Hossain<br>Mr. Mohshinuzzaman Chowdhury<br>Mr. T.M. Mahabub Rashid<br>Mr. Abu Kawsar Bhuiyan<br>Mr. Hafez Md. Nazmul Huda<br>Mr. Md. Salim Uddin<br>Mr. Md. Nazim Uddin<br>Mr. Chowdhury Nazmul Ahsan |
| <b>Executive Vice Presidents</b>        | Mr. Mamun Ahmed Muqtada<br>Mr. Jahirul Haque  |
| <b>Senior Vice Presidents</b>           | Mr. Md. Noore Alam Siddique<br>Mr. Mohammad Moshfiqur Rahman<br>Mr. Md. Rafiqul Islam (Tutul)   |
| <b>Vice Presidents</b>                  | Mr. Sheikh Assaduzzaman Liton<br>Mr. Md. Mahbubur Rahman Chowdhury<br>Mr. Md. Romen Ahmed<br>Mr. Md. Ariful Islam<br>Mr. Mansur Alam Sikder<br>Mr. Robiul Islam (Dolon)   |
| <b>Assistant Vice Presidents</b>        | Mr. Khan Mahfuzur Rahman<br>Mr. Sayed Enietul Hoque<br>Mr. Md. Numan Abedin   |

# CORPORATE MANAGEMENT TEAM

|                           |   |
|---------------------------|---|
| Chief Executive Officer   | Mr. Sahid-UI-Hasan  |
| DMD & Company Secretary   | Mr. Sajan Kumar Basak   |
| Executive Vice President  | Mr. Jahirul Haque (Head of Re-insurance and Claims)   |
| Senior Vice President     | Mr. Mohammad Moshfiqur Rahman (Chief Financial Officer)   |
| Vice President            | Mr. Mansur Alam Sikder (Head of Underwriting & BCD)   |
| Assistant Vice Presidents | Mr. Sayed Enietul Haque (Head of Admin)<br>Mr. Md. Numan Abedin (Head of Human Resource Management) |
| Deputy Manager            | Mr. Md. Jahidul Islam (Head of IT)  |
| Assistant Manager         | Mr. Prollad Rajbongshi (Head of Internal Audit)   |

## **Law Consultant**

Barrister Tanjibul Alam  
Advocate, Bangladesh Supreme Court

## **Company Law Adviser**

Mr. Hasan Ur Rashid Tutul  
P & H Associates  
Property Plaza (Suite # 05),  
66 New Circular Road,  
Mouchak, Dhaka-1217

## **Auditor**

Rahman Mostafa Alam & Co.  
Chartered Accountants,  
Paramount Heights (7th Floor D2 & C1)  
65/2/1 Box Culvert Road,  
Purana Paltan, Dhaka-1000

CORPORATE  
MANAGEMENT TEAM

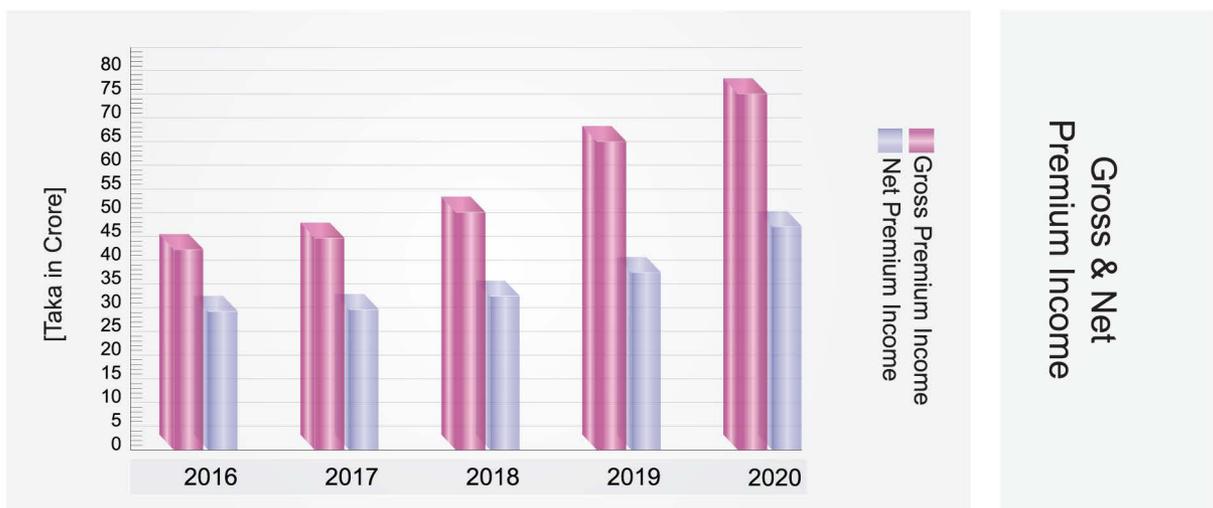
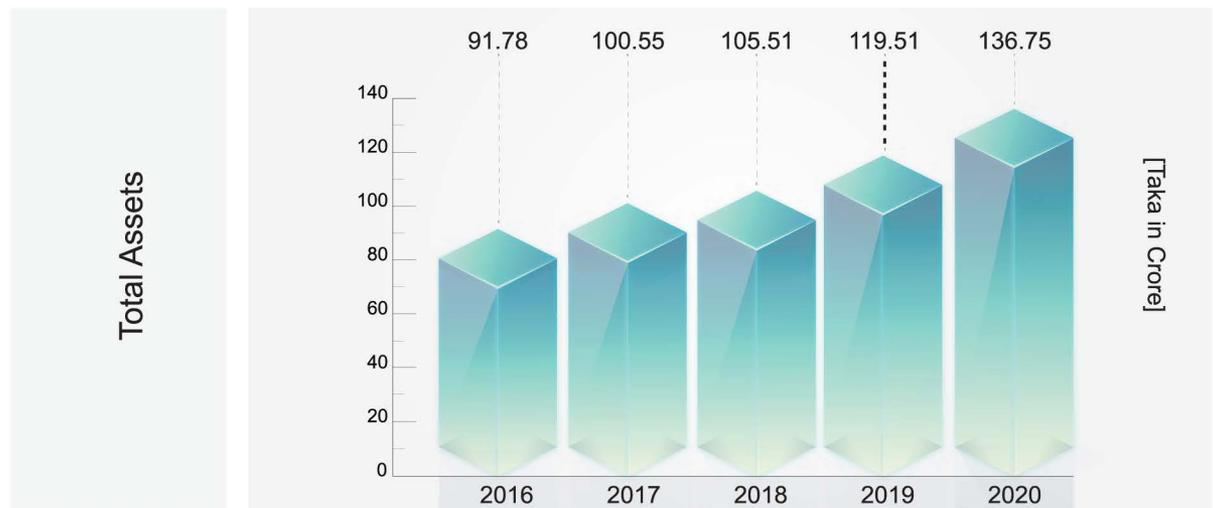
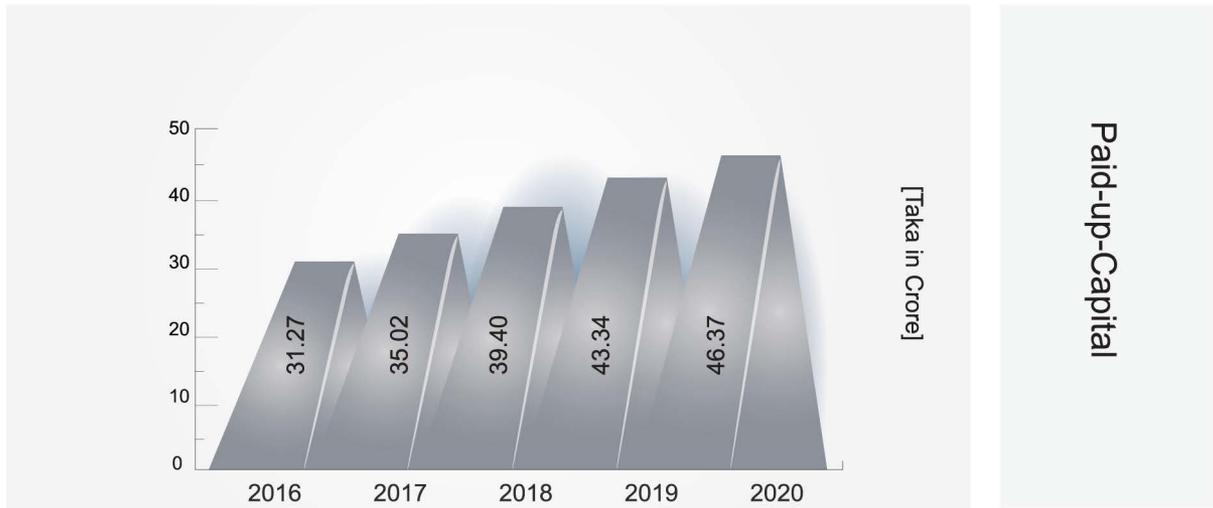
# FINANCIAL HIGHLIGHTS



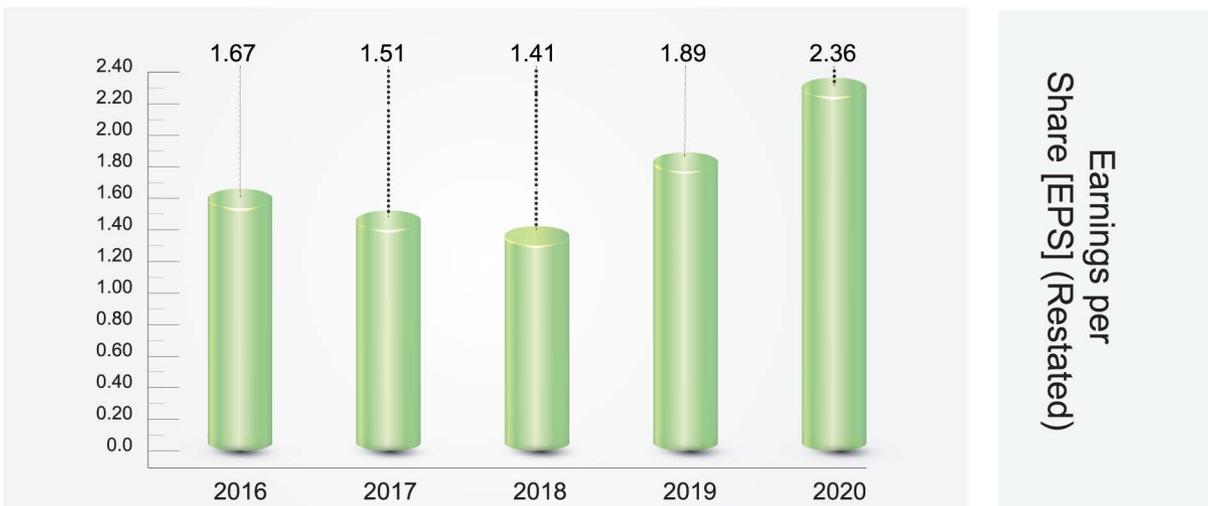
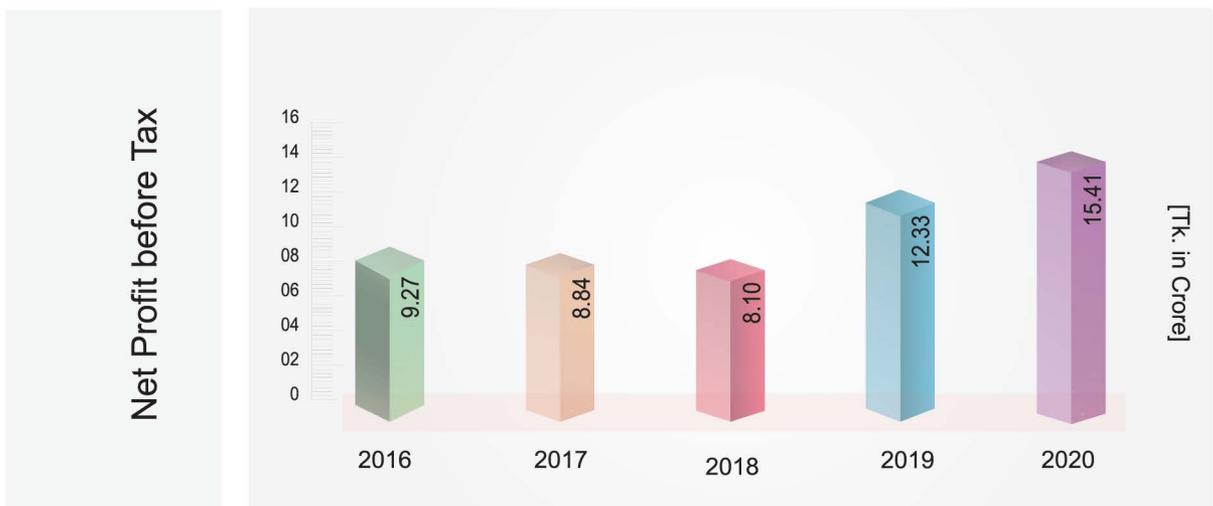
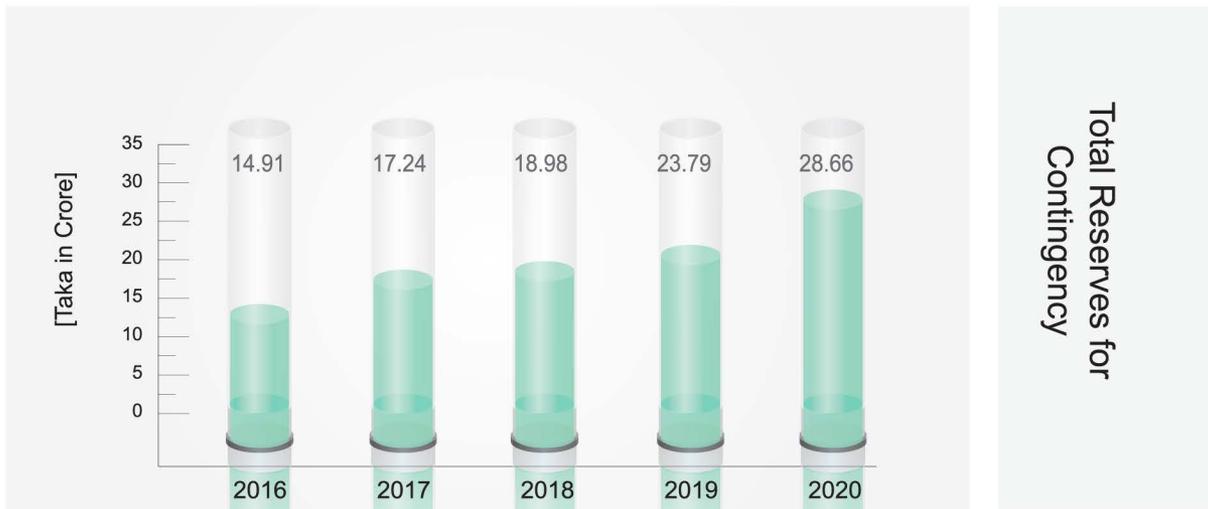
| Particulars                         | Amount        |               |               |               |             |
|-------------------------------------|---------------|---------------|---------------|---------------|-------------|
|                                     | 2020          | 2019          | 2018          | 2017          | 2016        |
| Paid up Capital                     | 463,722,280   | 433,385,310   | 393,986,650   | 350,210,360   | 312,687,830 |
| Gross Premium Income                | 780,016,220   | 680,288,526   | 534,379,668   | 478,241,306   | 458,191,929 |
| Net Premium Income                  | 506,389,584   | 419,573,041   | 354,995,209   | 330,503,062   | 332,523,596 |
| Net Claims Paid                     | 44,127,131    | 41,312,635    | 89,791,592    | 56,225,256    | 63,865,381  |
| Interest & Other Income             | 44,937,234    | 31,464,309    | 26,769,959    | 32,807,177    | 42,066,142  |
| Underwriting Profit                 | 142,384,097   | 128,097,327   | 81,024,418    | 79,747,198    | 72,647,476  |
| Net Profit before Tax               | 154,104,687   | 123,255,126   | 80,964,824    | 88,406,343    | 92,748,912  |
| Total Assets                        | 1,367,456,797 | 1,195,061,977 | 1,055,118,235 | 1,005,497,762 | 917,756,493 |
| Total Reserves for Contingency      | 286,646,023   | 237,856,108   | 189,801,715   | 172,399,340   | 149,148,688 |
| Cash & Bank Balances                | 112,485,665   | 64,038,033    | 29,853,149    | 43,435,735    | 44,539,872  |
| Investments                         | 527,203,401   | 474,107,897   | 435,025,602   | 466,276,135   | 450,255,987 |
| Number of Shares                    | 46,372,228    | 43,338,531    | 39,398,665    | 35,021,036    | 31,268,783  |
| Net Asset value per Share (NAV)     | 16.18         | 15.49         | 14.82         | 14.92         | 14.81       |
| Earnings per Share (EPS) (Restated) | 2.36          | 1.89          | 1.41          | 1.51          | 1.67        |
| Dividend                            | 7%B           | 7% B          | 10%B          | 12.50%B       | 12%B        |
|                                     | 7% Cash       | 7% Cash       | -             | -             | -           |
| Shareholder's Equity                | 750,368,303   | 671,241,418   | 583,788,365   | 522,609,700   | 461,836,518 |
| Number of Employees                 | 710           | 650           | 663           | 585           | 727         |

NB: All figures except dividend and number of employees are Bangladeshi Taka.

# FINANCIAL HIGHLIGHTS IN GRAPHS



# FINANCIAL HIGHLIGHTS IN GRAPHS



# ACCOUNTING RATIOS PERTAINING TO INSURANCE BUSINESS

Details of various Accounting Ratios pertaining to Company's insurance business are given below:

| Particulars   | 2020        | Ratio<br>2020 | 2019        | Ratio<br>2019 | Growth % |
|---|-------------|---------------|-------------|---------------|----------|
| Gross premium income  | 780,016,220 | -             | 680,288,526 | -             | 15       |
| Net premium income  | 506,389,584 | -             | 419,573,041 | -             | 21       |
| Re-insurance premium ceded as % of gross premium income         | 273,626,636 | 35.08         | 260,715,485 | 38.32         | 4.95     |
| Net Re-insurance commission earned as % of gross premium income | 60,952,397  | 7.81          | 62,629,006  | 9.21          | (2.68)   |
| Net Re-insurance commission earned as % of net premium income   | 60,952,397  | 12.04         | 62,629,006  | 14.93         | (2.68)   |
| Management Expenses allocated as % of gross premium income      | 221,617,303 | 28.41         | 191,459,395 | 28.14         | 15.75    |
| Management Expenses allocated as % of net premium income        | 221,617,303 | 43.76         | 191,459,395 | 45.63         | 15.75    |
| Gross Claims paid as % of gross premium income                  | 138,317,060 | 17.73         | 119,707,906 | 17.60         | 15.55    |
| Gross Claims paid as % of net premium income                    | 138,317,060 | 27.31         | 119,707,906 | 28.53         | 15.55    |
| Net Claims paid as % of gross premium income                    | 44,127,131  | 5.66          | 41,312,635  | 6.07          | 6.81     |
| Net Claims paid as % of net premium income                      | 44,127,131  | 8.71          | 41,312,635  | 9.85          | 6.81     |
| Operation income as % of gross premium income                   | 142,384,097 | 18.25         | 128,097,327 | 18.83         | 11.15    |
| Operation income as % of net premium income                     | 142,384,097 | 28.12         | 128,097,327 | 30.53         | 11.15    |
| Net Profit before Tax as % of gross premium income              | 154,104,687 | 19.76         | 123,255,126 | 18.12         | 25.03    |
| Net Profit after Tax as % of gross premium income               | 109,463,857 | 14.03         | 87,453,053  | 12.86         | 25.17    |

# MESSAGE FROM THE CHAIRMAN



Bismillahir Rahmanir Rahim

**Dear Shareholders,**

As-salamu Alaikum

It is with great pleasure that I welcome you to the 21st Annual General Meeting of Republic Insurance Company Limited. On behalf of the Board of Directors, I would like to express my heartfelt thanks and profound gratitude to all of you for your continuous support and co-operation. I am extremely honored in having the opportunity to present the report of the Board of Directors and Audited Financial Statements for the year 2020. I do hope that all of you have are safe and keeping well during the COVID-19 outbreak and I pray to almighty Allah for showering His blessings and also to protect all of us from pandemic situation.

Dear Shareholders, in 2020 global economic growth became negative due to pandemic COVID-19 affects. Almost governments of all countries in the globe imposed lockdown, isolation and restriction on the movement of goods and transportation of those to protect the outbreak of the Corona Virus. As a result, many National and International manufacturing companies in Bangladesh were closed down due to insufficient raw material, liquidity crisis and uncertainty of regaining the normal export and import transaction and having the unusual demand and supply chain of the products and services.

Despite the economic downturn due to COVID-19 pandemic, outstanding support of the valued stakeholders, good guidance from the experienced Board of Directors and initiatives taken by the competent management

team in time, the Company succeeded to maintain a sustainable and incremental growth during the year 2020. The Gross Premium figure increased at 15% over the last year, which stood at Tk. 78.00 crore at the end of the year. The Net Profit before tax stands at Tk. 15.41 crore in the Accounts. This achievement indicates that the Company has maintained a sustainable financial position with steady business growth in the insurance sector of our country.

Dear Shareholders, as you know that we always give attention to our customer's interest and ensures them high quality services. Company's overall business activities and its business operations in 2020 are very encouraging in spite of the global economic downfall and a slower business position in the economic activities of the country. To face the global economic recession and protect the risks of the company, Management has been continuously reviewing the underwriting risks, risks related to asset management and reinsurance protection. We handle the business and other risks of the Company properly in time by inspiring the employees as well as the valued customers through our best services. To cope with the challenges of the global economy and to achieve the shareholders' interest, the company has appointed highly qualified and experienced Management personnel to lead the Company in a professional manner.

With a view to manage the company's Corporate Social Responsibility, the Board of Directors of Republic Insurance Company Limited planned to create a fund to utilize the same exclusively for the education of multilevel poor students in the country. The Company's CSR policy is to develop the most under privileged people and to motivate them to self-reliant. We spend a considerable amount for medical treatment for the needs employees of the Company and their parents every year.

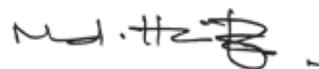
Republic Insurance Company Limited is functioning their operation for the interest of the stakeholders. The Company allowed a reasonable dividend to its investors and the Board desires to keep it up. We want to give due attention to our shareholders comments to improve ourselves in future. You know that for the Insurance Development and Regulatory Authority (IDRA) has issued a lot of circulars giving directives, showing guidance, and imposing restrictions on different issues regarding insurance business. To comply with the circulars we have to bring changes in our insurance business policy. However, I believe that whenever we can successfully implement the changes, we will be benefited and insurance sector will also be secured.

Dear Shareholders, based on the operating profit for 2020, we have proposed 14% dividend (7% Cash & 7% stock) of the Company for the year 2020. The Paid up Capital of the Company will thus stand at Taka 49.62 crore with the disbursement of Stock dividend.

Finally, I take this opportunity to record my sincere thanks and gratitude to the Govt. of the People's Republic of Bangladesh including Ministry of Finance, Insurance Development & Regulatory Authority, Bangladesh Securities and Exchange Commission, different Agencies, other Regulatory Bodies, Shareholders, Patrons, Valued Clients and Members of the Board for their continued support, guidance and cooperation. I would also like to thank the Management of the Company for rendering their best services.

May Allah help us, save us all from epidemic and keep us all with peace.

Khoda Hafez



**Mohd. Hanif Chowdhury**  
Chairman



# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Dear Honorable Shareholders,

As-salamu Alaikum

It is my great pleasure to welcome you all to the 21st Annual General Meeting (AGM) of Republic Insurance Company Limited (RICL). I also express my deepest condolences to those who have lost their near and dear ones during the Covid-19 pandemic and wish everyone with sound health and safety.

Dear Shareholders, the year 2020 has been a challenging one, to say the least, facing uncertainties both in economic and social spheres. At a time when the economy and insurance markets were thrown into disarray due to the pandemic, to the best support of the Management and Staff, the Company has completed another year of successful operation as one of the leading non-life insurance companies of Bangladesh. The situation of corona virus epidemic in 2020, RICL has made every effort to provide insurance services to ensure the safety and security of customers and other stakeholders.

Dear Shareholders, since its inception in 2000 Republic Insurance Company Limited has achieved a remarkable success and has committed to ensure the best of its service to the clients for all these years. The Management Team is pledge bound to maintain highest level of ethical standards, professionalism and transparency. We firmly believe that our Annual Report aptly reflects our openness and transparency in reporting our Company's affairs.

Dear Shareholders, despite various obstacles for Economic growth Republic Insurance Company Limited has kept its steady growth in responding the needs and expectation of the customers. It is determined to run the Company as 100% compliance to the rules, regulations and circulars of the Insurance Development and Regulatory Authority and directives of Bangladesh Insurance Association (BIA), Bangladesh Insurance Forum (BIF) which helped it to improve operational quality and skills. It has achieved the target of 100% collection, Zero tolerance to outstanding, profit before tax and income of underwriting increased at the moderate rate.

Dear Shareholders, backed by strong performance of its investment portfolios, the Company earned Net Profit before Tax Taka 15.41 crore during the year. The total Assets of the Company at Taka 136.75 crore. We are confident that the Company will maintain its progress during the year 2021 and its gross premium income growth will receive further momentum as the Company consolidates its position.

The Company has greatly appreciated the support of its customers under a very competitive environment and it continues to attach the highest importance in providing top class services to its clients aimed at ensuring long term business relationship. As per our existing practice, we will continue to create value for our customers, clients, and partners through our insurance products and service. As a result, our insurer through our consistent focus on delivering adorable and personalized products, services and solutions our bondage with them will be stronger and services will be faster and they feel safe. It is our wish that Republic Insurance will continue its endeavours to maintain its position and reputation as a sound insurance provider with first class financial security. I very much hope that, as before, you will continue to extend your support to the Company.

Dear Shareholders, Insurance Development and Regulatory Authority (IDRA) has rightly identified the obstacles in insurance industries and it is trying to resolve those problems notable steps already taken are prohibition of undertaking risk with premium rate lower than tariff rate and stopping the tendency of issuing insurance documents without receiving premium. Insurance Companies and Bangladesh Insurance Association (BIA) have come forward in implementing the steps adopted by IDRA with sincerity. By this insurance companies are being benefited they are advancing gradually toward prosperity.

I would like to thank our Honorable Chairman and Honorable Board of Directors for their wise counsel, which has been particularly valuable in these times of financial and social stress. I would also like to thank all our esteemed stakeholders, well-wishers, Ministry of Finance, Insurance Development & Regulatory Authority (IDRA), Bangladesh Bank, Bangladesh Insurance Association (BIA), Bangladesh Insurance Academy, Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange Ltd., Chattogram Stock Exchange Ltd., our co-insurers and re-insurers for their support to the company. I am grateful to all Management Team for their valuable advices from time to time. I would also like to thank the members of standard for their loyalty and the devotion in maintaining the company's high standard of business ethics.

Finally, I thank to all other stakeholders, our insurer, all branch managers and communities, for your continued support. We exist to serve you, and more determined than ever before to ensure the best possible outcomes for you.

We look forward to your continued trust and support.

Allah Hafez



**Sahid-Ul-Hasan**  
Chief Executive Officer

**DIRECTORS'  
REPORT  
to the Shareholders**



# DIRECTORS' REPORT

Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamu Alaikum

The Board of Directors of Republic Insurance Company Limited (herein after 'the Company' or RICL) takes this opportunity to welcome you all to the 21st Annual General Meeting (AGM) of the Shareholders and present before you the Annual Report of the Company along with the Audited Financial Statements and Auditor's Report for the year ended on December 31, 2020 for consideration and approval of the same by you, our valued Shareholders. The Audited Financial Statement was approved by the Board of Directors in a Board Meeting held on May 25, 2021.

We prepared this Annual Report in compliance with the Companies Act 1994, Insurance Act 2010 and guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), Insurance Development & Regulatory Authority (IDRA) and other Regulatory Authorities from time to time.

## Global Economy

The coronavirus (COVID-19), which has emerged as a global pandemic, poses a major risk to the global economy. Protecting lives and allowing health care systems to cope with have required quarantine, isolation, lockdown etc. which in turn have severely limited economic activity. As a result of the pandemic, the global economy is anticipated to contract in a much worse way than during the 2008-2009 financial crises. In the World Economic Outlook (WEO) October 2020, International Monetary Fund (IMF) projected that the global economic growth would contract sharply by 4.4 percent in 2020 downgrading from -3.0 percent projection made in April 2020, WEO. According to IMF, the baseline scenario, which assumes that social distancing will continue into 2021 but will fade over time as vaccine coverage will expand everywhere by the end of 2022.

The global economy is projected to grow by 5.2 percent in 2021 as the economic activity normalises, helped by policy support. In advanced economies, growth is expected to slow to - 6.1 percent in 2020. The rapid and widespread growth of COVID-19 and the consequent stagnation of economic activity have led to a slowdown in economic growth. Among emerging markets and developing economies, all countries face a health crisis, severe external demand shock, tightening in global financial conditions, and a plunge in commodity prices, which will have a severe impact on economic activity in commodity exporters. In addition, oil exporting countries will face problems as the falling of oil prices. Overall, the group of emerging market and developing economies, growth is forecast at -3.3 percent in 2020, 2.1 percentage points weaker than in the projection made by April 2020 WEO. Prospects for China are much stronger than any other countries in this group, with the economy projected to grow by about 8.2 percent in 2021. Activity normalised faster than expected after most of the country reopened in early April, and second quarter GDP registered a positive surprise on the back of strong policy support and resilient exports. Turning the global economy around in 2021 depends on how quickly the pandemic can be brought under control and build consumer and investor confidence. To this end, countries are implementing various financial and stimulus programmes to revive the world economy by improving the health system and providing public health services.

## Bangladesh Economy

Economic growth slowed to 5.24 percent in FY2019-20, according to the provisional estimates of BBS, which is the lowest since FY2008-09. As per final estimate GDP growth was 8.15 percent in FY2018-19.

According to the provisional estimate of BBS, the growth of agriculture sector has slowed to 3.11 percent in FY2019-20, from 3.92 percent in FY2018-19. During the same period, industry sector grew by 6.48 percent, which was 12.67 percent in the previous fiscal year. The service sector grew by 5.32 percent in FY2019-20 compared to 6.78 percent in the previous fiscal year. The contribution of agricultural, industry and service sectors reached at 13.35 percent, 35.36 percent and 51.30 percent respectively in FY2019-20 against 13.65 percent, 35.00 percent and 51.35 percent respectively in the previous fiscal year.

## DIRECTORS' REPORT

Per capita GDP and per capita national income stood respectively at US\$ 1,970 and US\$ 2,064 in FY2019-20, up by US\$ 142 and US\$ 155 from the previous fiscal year. During FY2019-20, domestic savings increased to 25.31 percent of GDP, which was 25.02 percent in the previous fiscal year. Likewise, national savings as percent of GDP increased to 30.11 percent in FY2019-20 from 29.50 percent of the previous fiscal year.

The gross investment stood at 31.75 percent of GDP in FY2019-20, which was 31.57 percent of GDP in the previous fiscal year. Of this, public investment and private investment accounted for 8.12 percent and 23.63 percent of GDP, respectively, up from 8.03 percent and 23.54 percent of GDP in the previous fiscal year.

In FY2019-20, the inflation rate stood at 5.65 percent, which is slightly higher than the target (5.50%). In this case, food inflation increased to 5.56 percent and nonfood inflation stood at 5.85 percent. The Coronavirus (COVID-19) pandemic has slowed global economic activity and reduced inflation globally. However, the pandemic could ignite world food production and cause disruption in supply chain. Therefore, food inflation is likely to increase in the coming months.

The revenue mobilisation target was set at Tk. 3,48,069 crore (12.41% of GDP) in FY2019-20. Of them, revenue receipt from NBR sources was marked at Tk. 3,00,500 crore (10.71% of GDP), tax revenue from non-NBR sources at Tk.12,567 crore (0.45% of GDP) and non-tax revenue at Tk. 35,002 crore (1.25% of GDP).

As per provisional data of Integrated Budget and Accounting System (IBAS), total revenue mobilisation stood at Tk. 2,62,813 crore, which is 4.34 percent higher than the revenue of mobilisation of previous fiscal year, achieving 75.51 percent of the target. Tax revenues received from NBR sources was Tk. 2,14,848 crore achieving 71.50 percent of the target. Tax revenue receipt from non-NBR source during the period was Tk. 5,944 crore achieving 61.91 percent of the target. On the other hand, revenue mobilisation from non-tax sources stood at Tk. 42,022 crore achieving 120.06 percent of the target. Non-tax revenue increased sharply as per the decision to deposit surplus money of autonomous, semi-autonomous, state-owned and public non-financial corporation to government treasury.

According to the revised budget, the total expenditure target for FY2019-20 has been set at Tk. 5,01,577 crore, which is 17.88 percent of GDP. Of this, operating expenditure is Tk. 2,95,280 crore (10.52% of GDP) and development expenditure is Tk. 2,02,349 crore (7.21% of GDP). Annual Development Programme (ADP) allocation is Tk. 1,92,921 crore (6.88% of GDP) of the total development budget.

As per the provisional estimates of the total expenditure in FY2019-20 was Tk. 3,98,490 crore, of which operating expenditure was Tk. 2,40,255 crore and development expenditure was Tk. 1,48,330 crore. The operating and development expenditures are 87.40 percent and 73.30 percent of the target respectively. As per the IMED sources, ADP expenditure in FY2019-20 was Tk. 1,61,857 crore achieving 80.45 percent of revised ADP target. In the revised budget of FY2019-20, budget deficit has been estimated at Tk. 1,53,508 crore which is 5.5 percent of GDP. As per provisional estimate the budget deficit excluding grants stood at Tk. 1,35,677 crore, which is 4.8 percent of GDP.

The monetary programme is based on the 8.2 percent real GDP growth and 5.5 percent CPI inflation ceiling targets declared for FY2019-20 in the national budget. Bangladesh Bank's annual monetary programme made adequate room for money and credit growth for attaining the targeted nominal GDP growth.

With a view to ensuring the adequate liquidity in the financial system to tackle the impending financial crisis stemming from outbreak of the COVID-19 pandemic, Bangladesh Bank reduced the repo rate from 6 percent to 5.25 percent. The Cash Reserve Requirement (CRR) was initially reduced from 5 percent to 4.5 percent (daily-basis) and from 5.5 percent to 5 percent (bi-weekly basis), with a further reduction to 4 percent and 3.5 percent, respectively, from 15 April 2020. Bangladesh Bank has also raised the advance-deposit ratio (ADR) and investment-deposit ratio (IDR) by 2 percent to 87 percent and 92 percent respectively to facilitate credit to the private sector and improve liquidity in the banking system.

## DIRECTORS' REPORT

The year-on-year growth of broad money at the end of June 2020 stood at 12.64 percent, which is slightly higher than the target (12.50). At the end of FY2019-20, the growth of private sector credit stood at 8.61 percent, compared to 11.32 percent in the previous fiscal year. The net credit to the government increased by 55.51 percent at the end of June, 2020 compared to 19.37 percent increase in same period of previous fiscal year. Initiatives have been taken to rationalise the interest/profit rate of loans/investments with a view to creating an industry and business friendly environment for the industrial, business and service organisations. Bangladesh Bank issued a circular on fixing the interest rate on loans at a maximum of 9 percent (except credit card).

World trade has slowed since the beginning of 2020 due to trade disputes between the United States and China, falling oil prices and declining revenue in the oil producing countries. The economic activities came to stagnant due to the COVID-19 pandemic, which also affected country's foreign trade. Total export earnings in FY2019-20 stood at US\$ 33,674.09 million, down 16.93 percent from the previous fiscal year. Similarly, imports in FY2019-20 stood at US\$ 54,784.70 million, down 8.56 percent over the previous fiscal year. The export sector is expected to rebound once the Corona crisis is resolved. The government has taken several steps as an incentive in the export sector. The size of the Export Development Fund (EDF) has already been increased from US\$ 350 million to US\$ 500 million and interest rate has been reduced to 2 percent.

In the first nine months of FY2019-20 (July- March, 2020), the country's manpower exports stood at 5.31 lakh people, which is 2.73 percent more than the same period of the previous fiscal year. From April 2020 to June 2020, manpower exports were virtually closed. In FY2019-20, remittance inflows stood at US\$ 18,205.01 million, an increase of 10.87 percent over the previous fiscal year due to introduction of 2 percent incentives on remittances sent by NRBS.

During this period, the current account balance decreased as remittance flows increased. The current account deficit stood at US\$ 4,849 million, compared to US\$ 5,102 million in the previous fiscal year. On the other hand, due to increase inflow in capital and financial account, the overall balance of payments increased from US\$ 179 million in FY2018-19 to US\$ 3,655 million in FY2019-20.

The surplus in the overall balance helped maintain the foreign exchange reserve up. On 30 June 2020, the foreign exchange reserves reached US\$ 36.04 billion which was US\$ 32.72 billion 30 June 2019. On October 8, 2020, our foreign exchange reserve reached the record level of US\$ 40 billion. In FY2019-20, the exchange rate of Taka against US\$ remained stable.

To keep the country's economy afloat in the face of the ongoing Coronavirus pandemic, extra spending on health-care, emergency humanitarian assistance has been made. The government has already announced a stimulus package of about 1.2 lakh crore taka for economic recovery. Some of the notable activities of this package are: create special funds for export oriented industries; provide working capital facilities to the affected industry and service sector organisations; provide working capital facilities to small (including cottage industries) and medium industrial enterprises; increase the benefits of the Export Development Fund; increase coverage of social security; direct cash transfer to the targeted people, formulate various funds for the agricultural sector. As well as financial incentives, various activities including policy support such as reduction of import duty on COVID-19 related products, policy support to increase liquidity in the banking sector has been provided. As a result of these actions taken by the government, the economy is expected to turn around.

### **Insurance Market in Bangladesh**

In Bangladesh during the year 1970s, Government owned JBC and SBC were the only providers of life and general insurance coverage for individual and business properties. At that time industry did not take innovative efforts for product development. In the country, the first private insurance company was set up in 1985. At present there are 79 insurance companies operating in Bangladesh of which 33 are life and 46 are non-life companies. In a developing country like Bangladesh insurance companies are playing an important role in the economy. Through insurance

## DIRECTORS' REPORT

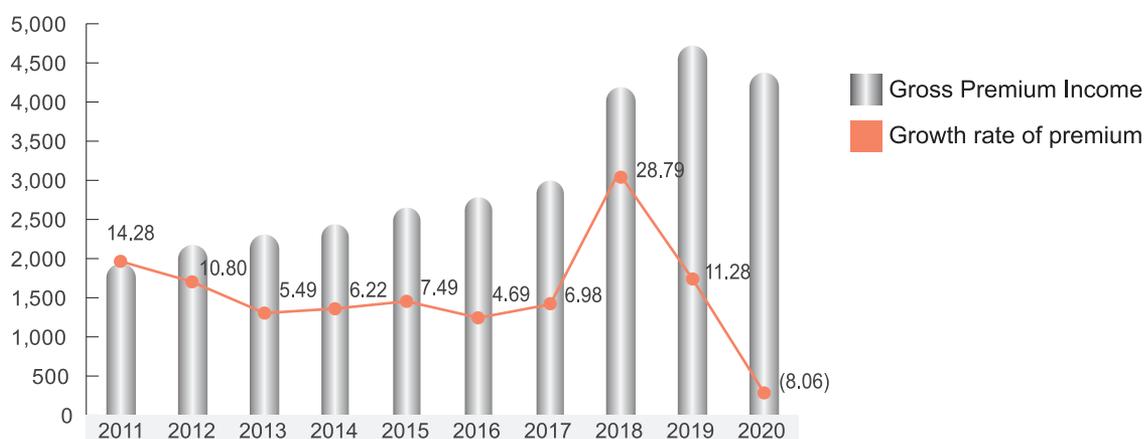
industry has good prospectus, for some reasons, it has totally failed to achieve its desired potential. if we understand the short comings then we can take proper initiatives to remove the impediment for development in insurance sector.

Over the last two years, the world has seen a new set of challenges triggered by the Novel Corona Virus or COVID-19, an epidemic that was spotted in the Hubei Province of China in November 2019 which spread to multiple countries, grew to pandemic proportions of China infected the whole globe with wide-ranging intensities. The efficacy of insurance as an ex-ante mechanism for financing the cost of disasters has been proven time and again across the world as also in Bangladesh through many Government schemes and private insurances.

The non-life insurance premium income in 2020 was 8.06 % decreased from the previous year due to COVID-19 pandemic effect. The comparative premium position during the last 10 years has been as follows:

| Year     | 2011   | 2012   | 2013  | 2014  | 2015  | 2016  | 2017  | 2018   | 2019   | 2020    |
|----------|--------|--------|-------|-------|-------|-------|-------|--------|--------|---------|
| Premium  | 1,933  | 2,167  | 2,293 | 2,445 | 2,643 | 2,773 | 2,981 | 4,186  | 4,718  | 4,366   |
| Growth % | 14.28% | 10.80% | 5.49% | 6.22% | 7.49% | 4.69% | 6.98% | 28.79% | 11.28% | (8.06%) |

*(NB: All the amount is in BDT Crore and Data of 2020 is unaudited, may differ with the audited data (Source: IDRA Souvenir (Bima Mela 2021))*



(Year wise premium is shown in graphs)

## COMPANY'S BUSINESS ACTIVITIES AND PERFORMANCE REVIEW

In 2020, under extremely challenging conditions, RICL has performed well in key areas of its business activities. Our balanced growth has generated positive returns for the stakeholders. This pandemic has taught us to be resilient, adaptive, innovative and positive in the face of adversity and we are confident to deliver performance in the coming days.

### Gross Premium

Dear Shareholders, private sector investment was slow during the last couple of years and due to this, private sector business of the Company has not enhanced properly. Globally, Bangladesh also faces some other challenges. To overcome all these, the Govt. has been trying to maintain improvement in all sectors of the economy of Bangladesh, especially in import, export & investment in the industrial sector. We know that general insurance business depends on import, export, investment in the industrial sector, and coverage of security of all kinds of assets. In the year 2020 was not favourable for overall business i.e import, export, investment in industrialization were slow due to COVID-19 and despite these RICL has been able to achieve as per desired target . We know that

## DIRECTORS' REPORT

at present a large number of insurance companies in Bangladesh are certainly not commensurate with the size of the market that has led to aggressive competition which has been detrimental to the industry as a whole.

Considering all difficulties, the competent Management Team of the Company paid proper attention in time in professional manner and due to this attention the gross premium of the Company increased. In the year 2020, the Company was able to post a average business growth in comparison to the overall performance of the insurance industry. The gross premium increased by 15% at Tk. 780,016,220 as compared to Tk. 680,288,526 in 2019.

The year-wise gross premium income of the Company for last five years are as under:

(Amount in BDT)

| 2020        | 2019        | 2018        | 2017        | 2016        |
|-------------|-------------|-------------|-------------|-------------|
| 780,016,220 | 680,288,526 | 534,379,668 | 478,241,306 | 458,191,929 |

### Product Performance Analysis

#### Fire Insurance:

The Fire insurance business constitutes 47.25% of the total portfolio of the Company. During the year, the Company has underwritten a gross premium of Tk. 368,520,467 whereas it was Tk. 321,154,578 in 2019.

#### Marine and Marine Hull Insurance:

This class of business constitutes 37.88% of the total portfolio. The Company has underwritten a gross premium of Tk. 295,537,325 in current year as compared to Tk. 198,932,325 in the previous year.

#### Motor Insurance:

This class of business constitutes 5.98% of the total portfolio. During the year, the Company has underwritten a gross premium of Tk. 46,655,463.

#### Miscellaneous Insurance:

The Miscellaneous class of business constitutes 8.89% of the total portfolio. During the year, the Company has underwritten a gross premium of Tk. 69,302,965.

The following table shows the segment-wise underwriting performance of the company in the last five years:

(Amount in BDT)

| Class of insurance | 2020               | 2019               | 2018               | 2017               | 2016               |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Fire               | 368,520,467        | 321,154,578        | 230,544,884        | 217,452,284        | 206,732,688        |
| Marine & Hull      | 295,537,325        | 198,932,325        | 161,894,779        | 138,945,503        | 157,646,382        |
| Motor              | 46,655,463         | 62,403,635         | 55,855,894         | 47,921,922         | 48,406,968         |
| Miscellaneous      | 69,302,965         | 97,797,988         | 86,084,111         | 73,921,597         | 45,405,891         |
| <b>Total</b>       | <b>780,016,220</b> | <b>680,288,526</b> | <b>534,379,668</b> | <b>478,241,306</b> | <b>458,191,929</b> |

## POSITION OF PAID-UP-CAPITAL & RESERVES

### Authorized Capital

The authorized capital of the Company is Tk. 100 crore divided into 100,000,000 ordinary shares of Tk.10/- each.

### Paid up Capital

Republic Insurance Company Limited increases the business volume regularly. For this, it required increasing the paid-up capital size and accordingly, the Board of Directors decided to enhance the paid-up capital every year to fulfill the compliance of Insurance Development and Regulatory Authority's (IDRA).

## DIRECTORS' REPORT

The position of Paid-up Capital as under:

|      |                              |                 |
|------|------------------------------|-----------------|
| 2009 | IPO of Tk. 9 crore           | Tk. 150,000,000 |
| 2010 | 10% stock dividend           | Tk. 165,000,000 |
| 2011 | 10% stock dividend           | Tk. 181,500,000 |
| 2012 | 10% stock dividend           | Tk. 199,650,000 |
| 2013 | 12% stock dividend           | Tk. 223,608,000 |
| 2014 | 12.50% stock dividend        | Tk. 251,559,000 |
| 2015 | 10% stock dividend           | Tk. 276,714,900 |
| 2016 | 13% stock dividend           | Tk. 312,687,830 |
| 2017 | 12.% stock dividend          | Tk. 350,210,370 |
| 2018 | 12.50% stock dividend        | Tk. 393,986,650 |
| 2019 | 10 % stock dividend          | Tk. 433,385,310 |
| 2020 | 7% stock dividend            | Tk. 463,722,280 |
| 2021 | 7% stock dividend (proposed) | Tk. 496,182,840 |

### Reserve Fund

Dear Shareholders, to protect the risk factors of the Company, it is essential to have a good amount of reserve fund of the Company. We have planned to build up a good amount of reserve fund, so that we can settle any financial requirements from the reserve fund. The position of total Reserves are shown below:

(Amount in BDT)

| 2020        | 2019        | 2018        | 2017        | 2016        |
|-------------|-------------|-------------|-------------|-------------|
| 286,646,023 | 237,856,108 | 189,801,715 | 172,399,340 | 149,148,688 |

### Claims

Dear Shareholders, Republic Insurance Company Limited is always committed to settle the insurance claims in time. We believe that our commitment is the satisfaction of our customers and their satisfaction is our Company's goodwill. The Board of Directors of the Company delegates the power to the Claims Committee for settling any amount of claim in the quickest time. During the year 2020, the Company paid a net amount of Tk. 44,127,131 as claim which helped the customer to recover their losses. The settlement of claim amount has increased from previous year due to settlement of huge losses during the year. The year wise breakup of net claim paid is enumerated below:

(Amount in BDT)

| 2020       | 2019       | 2018       | 2017       | 2016       |
|------------|------------|------------|------------|------------|
| 44,127,131 | 41,312,635 | 89,791,592 | 56,225,256 | 63,865,381 |

### Re-insurance

Dear Shareholders, Company underwrites large number policies with a wide range of risk for various classes of insurance, which involves billions of taka. Every insurance company has limited capital, which is not sufficient to pay a small percentage of catastrophic loss or in a single big loss. To protect the interest of the Company as well as the policyholders every company retains a small percentage of risk in their own share and shifts a major portion of risk to other re-insurer company.

RICL has arranged sufficient protection through the reinsurance arrangement with state owned organization of Sadharan Bima Corporation (SBC). Republic Insurance has full coverage of its customer's insurance risk and sufficient catastrophe cover to protect any national disaster. The Board of Directors is always aware of the customer's insurance risks and ensures the protection of its liability by reinsurance arrangement. During the year 2020, the Company has paid re-insurance premium at Tk. 273,626,636 to protect the risk covered by the Company. Republic Insurance Company Limited is fully equipped with technical expertise. Our present reinsurance arrangement is well secured to protect the interest of the Company as well as the policyholders in the event of any consequences.

**Statement of Profit & Loss and other Comprehensive Income**

Dear Shareholders, The Board of Directors is always careful about the honorable shareholders' interest. Under the active guidance and supervision by the Board, the Management performs its responsibility for achieving the financial goal of the Company. The Company earned a net profit before tax of Tk. 154,104,687 compared with the last year's balance it is determined that during the year company paid huge amount of claims, which affected the profit of the Company. The breakup of the distribution is as follows:

| Description  | Amount (Tk.)      |
|--|-------------------|
| Net Profit before Tax  | 154,104,687       |
| Less: Provision for Income Tax & Deferred Tax                    | 44,640,830        |
| Net Profit After Tax   | 109,463,857       |
| Add: Balance Brought forward of previous years retained earnings | 62,102,610        |
| Less: Reserve for Exceptional Losses                             | 35,447,271        |
| Less: Issuance of Bonus Share for the year 2019                  | 30,336,970        |
| Less: Cash dividend paid for the year 2019                       | 30,336,972        |
| Less: General Reserve  | 750,000           |
| <b>Profit available for distribution</b>                         | <b>74,695,254</b> |

**Earnings Per Share (EPS)**

During the year 2020, the Company's EPS was Tk. 2.36 but it had been restated Tk. 1.89 in 2019. You know that we have, increased our capital on an average 25% for the last couple of year although we have been maintaining a steady increase of EPS compared with others.

**Investment**

Insurance is a kind of risk management activities primarily used as hedge against the risk of a contingent or an uncertain loss. To meet the uncertain loss, the Company keeps the amount in the form of investment. In the other hand, good investment is also a major tool of the company's profit. Republic Insurance Company earns investment profits at large scale. Due to this, the Board expects to enlarge the investment figure of the company. Our wish is to earn more profit from the Company's investment amount. For the greater interest of the Company as well as shareholders, we ensure the maximum utilization of the fund and in this connection we have invested the fund properly. The year wise investment breakup of the Company is furnished below:

(Amount in BDT)

| 2020        | 2019        | 2018        | 2017        | 2016        |
|-------------|-------------|-------------|-------------|-------------|
| 527,203,401 | 474,107,897 | 435,025,602 | 466,276,135 | 450,255,987 |

**Dividend**

Dear Shareholders, it is a great pleasure for the Board of Directors of the Company to recommend 7% stock dividend and 7% cash dividend for each share @ Tk. 10 for the year ended on December 31, 2020 subject to approval of the Shareholders in the 21st Annual General Meeting. The Shareholders, whose names shall appear in the 'Depository Register' on the record date i.e. on the June 24, 2021 shall be entitled to this dividend.

**Corporate Social Responsibility (CSR)**

Dear Shareholders, during the year 2020 the Company spent a considerable amount for medical treatment for the needs of employees of the Company and their parents. We have also been participating in contributing financial support to the Fund, formed by Bangladesh Insurance Association for sponsoring various state programs and for the help of victims affected by natural hazards. We have also been financial help for medical treatment of concerned person which recommended by Insurance Development and Regulatory Authority (IDRA). Besides these, Board of Directors of Republic Insurance Company Limited planned to create a fund to utilize the same exclusively for the education of multilevel poor students in the country. During the year the Company have donated an amount at Tk. 5,00,000 (five lac) only to the Prime

## DIRECTORS' REPORT

Minister Relief Fund for helping COVID-19 pandemic effected peoples. The Company's CSR policy is to develop the most under privileged people and to motivate them to self-reliant.

### Board Committees

Republic Insurance Company has several sub-committee under the Board. The Board Members in their meeting appointed the Members for the sub-committee including the Chairman of Committee. After fulfillment the tenure of the committee, the members of committee changed within the Board members. Every sub-committee has separate scope of work and the Board approve the terms of references. The sub-committee are independent and responsible to provide their expertise opinion to the Board. At present, there are 4 (four) sub-committee of the Company for performing their duties on behalf of the Board. The name of the committee is as under:

- (1) Audit Committee
- (2) Nomination & Remuneration Committee (NRC)
- (3) Executive Committee
- (4) Claims Committee

### Directors

In terms of the provisions of clauses 96 & 97 of the Articles of Association of the Company, the following three Directors from the sponsor shareholders' group i.e. group "A" shareholders will retire in this AGM:

- (1) Mr. Sadeque Hossain Chowdhury
- (2) Mr. Mahboob Ur Rahman
- (3) Mrs. Shahin Haider

Being eligible, all the above directors have offered themselves for re-election.

Mrs. Rehana Chowdhury, Director from the public shareholders group i.e. group "B" retires in this AGM. Being eligible, She offered herself for re-election. A public notification with regard to election of Directors of the Company from the public shareholders was published in two national dailies namely "The New Nation" and "The Daily Desh Rupayan" on April 14, 2021 and no application received from public shareholders group "B" for appointed of Director. So, Mrs. Rehana Chowdhury is eligible for election of Director from group "B".

### Appointment of Independent Directors

In Compliance with Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated: June 03, 2018 the Board in its 130th Meeting of the Board of Directors appointed Mr. Md. Abdur Rouf as Independent Director subject to the approval of the Shareholders. As per BSEC Notification this appointment requires shareholders approval and if it is approved then the appointment of Mr. Md. Abdur Rouf will be considered as effective from May 25, 2021.

In compliance of the said notification the Board is searching competent and qualified person to appoint required Independent Directors of the Company.

### Remuneration Paid to Directors Including Independent Directors

This company has paid Tk. 556,800 as directors' fee to the directors including Independent Directors for attending committee and Board meetings in 2020, which has been mentioned in company's profit and loss accounts. The Company has not paid any amount as remuneration to the directors in the year 2020.

### Credit Rating

Republic Insurance Company Limited has been awarded "AA-" (pronounced AA minus) in long term and "ST-2" in short term and rated by Alpha Credit Rating (AlphaRating). The rating reflects RICL's established track record, improved underwriting performance, GPW and net income. The rating also draws strength from the improved risk absorption capacity with improved equity base, financial base and premium solvency ratio. The rating is however; constrained by decline in ROA and reserve solvency ratio, moderate liquidity position, dependence on investment returns and moderate systems and processes.

### Information Technology (IT)

We are updating regularly with the changes of IT world. Our branches have been brought under online networking. We are also getting 200 Plus system generated MIS reports which help management to take decisions properly and timely, controlling business procurement through Computer Integrated Insurance System (CIIS) software and quick accessing the underwriting documents through CIIS for departmental integration with Underwriting, Claims & Re-Insurance and Accounts department. By this time, Company has implemented lot of IT facilities to our shareholders and customers.

We are trying to set up informational technology based products such as Card Protection Insurance, Online Motor Insurance etc. in a way to settle every valid claim in a shorter span of time, we attempt to improve our core competency in claims management because we want to reflect in our every dealing that insurers must be the ones who are in the business of indemnifying policyholders when misfortunes do strike.

### Internal Control

The Board is responsible for ensuring that the Company has an adequate and effective control system in place. Although no system of internal financial control can provide absolute assurance against material miss-statement or loss. The company's internal controls systems have been designed to provide the Directors with reasonable assurance that assets are safeguarded against unauthorized use by the employees or management and or third parties. Transactions are authorized and properly recorded and material error and irregularities are either prevented or detected within a reasonable period of time. Properly designed management structure, clearly defined responsibilities, delegation or authorities, establishment of accountability at each level and system of periodic reporting and monitoring performance are the key elements of the internal control framework employed in Republic Insurance Company Limited.

### Auditors

The Company's statutory auditors Rahman Mostafa Alam & Co., Chartered Accountants will retire in the 21st Annual General Meeting. Since they completed their term (3 years of audit task), we have to appoint another reputed Chartered Accountant firm to carry out our annual audit for the year 2021. In this connection, the Board of Directors recommended for appointment of Malek Siddiqui Wali, Chartered Accountants as the auditors of the Company for the year 2021 with a fee of Tk. 3,85,000/- (including VAT & Tax) per year subject to the approval of shareholders in the 21st Annual General Meeting.

### Corporate Governance

Dear Shareholders, the Board of Directors firmly believes that the practice of Good Corporate Governance is absolutely essential for ensuring a disciplined and sustainable national economy. Thus, there is a full-fledged commitment of the Board, towards incorporating Corporate Governance and Transparency in all spheres of operations and management of the Company.

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No.SEC/CMMRRCD/2006-158/207/Admin//80, dated June 03, 2018 along with a certificate from a practicing Chartered Accountant have been presented on page no. 47-54 in this annual report as Compliances on BSEC's Notification.

## DIRECTORS' REPORT

### Future Prospect

It is matter of optimism that Insurance Development and Regulatory Authority (IDRA) has rightly identified the obstacles in insurance industries and it is trying to resolve those problems. Notable steps already taken are prohibition of undertaking risk with premium rate lower than tariff rate and stopping the tendency of issuing insurance documents without receiving premium. Insurance Companies and Bangladesh Insurance Association (BIA) have come forward in implementing the steps adopted by IDRA with sincerity. By this insurance companies are being benefited and they are advancing gradually toward prosperity. We are strengthening our marketing and other departments of the company to increase our gross premium income substantially by maintaining the rules and regulations of IDRA and we hope that we would be able to generate higher return for the shareholders' investment in the years to come.

### Conclusion

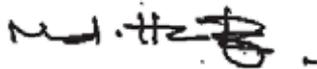
The Board of Directors of the Company takes the opportunity to express gratitude to the shareholders, valued clients, patrons and well wishers of the Company for their appreciation and continued support and co-operation. The Company is indebted to its clients, shareholders, the Government Authorities, particularly the Ministry of Finance, the Ministry of Commerce, Insurance Development & Regulatory Authority, Registrar of Joint Stock Companies & Firms, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chottagram Stock Exchange Ltd., Central Depository Bangladesh Limited (CDBL), Sadharan Bima Corporation, Bangladesh Bank, Commercial Banks, Bangladesh Insurance Association and Bangladesh Insurance Forum for their continued support towards the growth of the Company. The Board of Directors also expresses deep appreciation to the management and all members of staff who were called upon to face some major challenges while at the same time maintaining the highest standards of service to our clients. We thank each and all of them for their performance.

We always solicit your continued support, co-operation and valuable advice in the years to come.

May Allah bless us all

Allah Hafez

On behalf of the Board of Directors



**(Mohd. Hanif Chowdhury)**  
Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

As per condition no. 1(5) (xxv) of the Corporate Governance Code 2018 issued by BSEC, the Management's Discussion and Analysis are as follows:

## a) Accounting policies and estimation for preparation of financial statements

The Company follows International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) in preparing financial statements. Disclosure and rules as required by Insurance Act 2010 have been complied with while preparing financial statements and also in compliance with the Companies Act 1994. In addition, the Bangladesh Securities and Exchange Commission Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. (DSE) & Chattogram Stock Exchange Ltd. (CSE). Detailed description of accounting policies and estimation used for preparation of the financial statements of the company are disclosed in the note 2 of the financial statements.

## b) Changes in accounting policies and estimation

The Company has been following consistent policies and estimation in preparing its financial statements. However, IFRS 9 replaces IAS 39 previous year and any changes due to such replacement incorporated in the accounts accordingly.

## c) Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years

The company consistently maintained attractive earnings growth for the last five years. The key operating and financial performances and financial position as well as cash flows for immediate preceding five years are as follows:

Figures are in million Taka

| Particulars               | 2020     | 2019     | 2018     | 2017     | 2016   |
|---------------------------|----------|----------|----------|----------|--------|
| Gross premium             | 780.01   | 680.29   | 534.38   | 478.24   | 458.19 |
| Net premium               | 506.38   | 419.96   | 355.00   | 330.50   | 332.52 |
| Underwriting profit       | 142.38   | 128.10   | 81.02    | 79.75    | 72.65  |
| Investment & other income | 44.93    | 31.46    | 26.77    | 32.81    | 42.07  |
| Net profit before tax     | 154.10   | 123.26   | 80.96    | 88.40    | 92.75  |
| Net profit after tax      | 109.46   | 87.45    | 61.17    | 59.49    | 48.49  |
| EPS                       | 2.36     | 1.89     | 1.41     | 1.51     | 1.67   |
| NOCPS                     | 2.95     | 2.24     | (0.28)   | 0.64     | 0.25   |
| Paid-up capital           | 463.72   | 433.39   | 393.99   | 350.21   | 312.69 |
| Shareholders' equity      | 750.36   | 671.24   | 583.79   | 522.61   | 461.84 |
| Total assets              | 1,367.45 | 1,195.06 | 1,055.12 | 1,005.50 | 917.76 |
| NAVPS                     | 16.18    | 15.49    | 14.82    | 14.92    | 14.81  |

Few figures of previous year have been restated after giving effect to declaration of stock dividend for the year 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS

### d) Comparison of such financial performance or results and financial position as well as cash flows with the peer industry scenario

Major areas of financial performances and financial position as well as cash flows with peer industry scenario for the year 2019 was as follows:

Figures are in million Taka

| Particulars               | Republic Insurance Co. Ltd. | Green Delta Insurance Co. Ltd. | Pioneer Insurance Co. Ltd. | Reliance Insurance Ltd. | Pragati Insurance Co. Ltd. |
|---------------------------|-----------------------------|--------------------------------|----------------------------|-------------------------|----------------------------|
| Gross premium             | 680.3                       | 4,164.2                        | 3,222.3                    | 3,004.2                 | 2,406.5                    |
| Net premium               | 419.6                       | 1,996.8                        | 1,823.2                    | 1,324.7                 | 1,024.5                    |
| Underwriting profit       | 128.1                       | 413.6                          | 392.8                      | 536.0                   | 228.7                      |
| Investment & other income | 31.5                        | 294.7                          | 91.8                       | 395.1                   | 42.5                       |
| Net profit before tax     | 123.26                      | 360.6                          | 440.2                      | 849.8                   | 281.2                      |
| Net profit after tax      | 87.45                       | 300.7                          | 341.9                      | 585.4                   | 209.2                      |
| Paid Up Capital           | 433.4                       | 887.6                          | 699.8                      | 1,051.6                 | 655.9                      |
| Shareholder's equity      | 671.2                       | 5,858.4                        | 3,085.4                    | 5,531.8                 | 3,320.6                    |
| Total assets              | 1,195.1                     | 11,099.7                       | 4,697.7                    | 8,999.7                 | 4,672.4                    |
| NAVPS                     | 15.49                       | 66.0                           | 44.1                       | 52.6                    | 50.6                       |
| Earning per share         | 1.89                        | 3.4                            | 4.8                        | 5.5                     | 3.19                       |
| NOCPS                     | 2.24                        | (0.47)                         | 5.4                        | 4.6                     | 0.7                        |

Source: Publication Annual Report 2019

### e) Financial and economic scenario of the country and the globe

The global economic growth is projected to decline from an estimated 2.8 percent in 2019 to -4.4 percent in 2020 and 5.2 percent for 2021 according to International Monetary Fund (IMF). Advanced economies growth will decline to -5.8 percent in 2020, and the emerging and developing Asian countries at -3.3 and 6.0 percent over 2020 and 2021 years.

According to Asian Development Bank (ADB), the GDP growth of Bangladesh is expected at 5.2% in 2020 and 6.8% in 2021. GDP growth stood at 8.2% in 2019.

Global insurance industry showed an overall growth rate of 3% in 2019. Global insurance premium surpassed the USD 6 trillion mark in 2019 which is 7.2% of global GDP. The global Life insurance market grew by 2.2% in 2019 with premiums at US\$ 2,916 billion. The non-life insurance market grew by 3.5% in 2019 with premiums at US\$ 3,376 billion. After outperforming in 2019, global premium both life and non-life will drop in 2020 and 2021. The non-life sector will be less affected by the global pandemic of COVID-19 crisis. The emerging market will outperform in both categories.

Non-life insurance penetration rate (insurance premium as a percentage of GDP) has shrank from 0.25% in 2009 to 0.15% in 2019. In 2019 the growth of Non-life insurance companies' premium income was 13.4%. Bangladesh non-life insurance industry continues to operate as one of the smallest in the world (holding 86th position in the world ranking). In the non-life insurance sector, 46 private insurers and 1 state-owned corporation have earned TK 37,338 million in 2019. Total premium volume in USD for Bangladesh in 2019 stood USD 1,475 million against USD 1,371 million in 2018, an increase of 7.6%. Out of USD 1,475 million, Non-life business premium in 2019 was USD 442 million.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **f) Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company**

The company has exposures to underwriting risk, credit risk, market risk and Liquidity risk relating to the financial statements.

### **g) Future plan or projection or forecast for company's operation, performance and financial position**

Although the year 2020 was exceedingly difficult for all of us, Republic Insurance Company Limited believe in its underlying strengths and resilience to deliver optimum service to its customers. The company finds new pathway of providing services. It will continuously take diversified business approach and invest in building capabilities for further entrenching the leadership position in the market and continuing with the successful operations of the company for foreseeable future.



Sahid-UI-Hasan  
Chief Executive Officer

# SOLVENCY MARGIN

Solvency margin is the amount by which the assets of an insurer exceeds its liabilities, and will form part of the insurer's shareholders fund. Methods of valuations of assets and liabilities of an insurer are prescribed in the insurance regulations. The regulations stipulate the minimum solvency margin, which an insurer must maintain at all times. The solvency of insurance company corresponds to its ability to pay claims. The solvency of insurance company or its financial strength depends chiefly on whether sufficient technical reserves have been set up for the obligations entered into and whether the Company has adequate capital as security.

Moreover solvency margin assists financial investment measures when making a decision on the risk of reward capability of a company to return dividends to stockholders. In Bangladesh regulation for solvency margin for non-life insurance Companies has been prepared by Insurance Development and Regulatory Authority (IDRA) but not yet been approved by concerned ministry thereby not yet promulgated through official gazette.

During 2020, Republic Insurance Company Limited solvency margin remained above the required level. RICL's required solvency was BDT 202,894,287 whereas the Company's available solvency margin was BDT 709,770,083 which means the value of assets had been more than the liabilities in that particular period. Therefore, the available solvency was BDT 3.50 times of required solvency margin in 2020.



| Description                     | 2020<br>(Amount in Taka) | 2019<br>(Amount in Taka) |
|---------------------------------|--------------------------|--------------------------|
| Available Solvency (ASM)        | 709,770,083              | 608,120,547              |
| Required Solvency (RSM)         | 202,894,287              | 167,829,216              |
| Solvency ratio ASM/ RSM (times) | <b>3.50</b>              | <b>3.62</b>              |

# COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Status of Compliance with the Corporate Governance Code (CGC) [as per condition No. 1(5) (xxvii)] Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/ 2006-158/207/Admin/80 dated June 03, 2018 (Report under Condition No. 9)

Annexure-C

| Condition No. | Title   | Status          |              | Remarks      |
|---------------|---|-----------------|--------------|--------------|
|               |   | Complied        | Not Complied |              |
| <b>1</b>      | <b>Board of Directors</b>   |                 |              |              |
| 1(1)          | Board Size (minimum - 5 and maximum - 20)   | ✓               |              | 11 Directors |
| <b>1(2)</b>   | <b>Independent Director</b>   |                 |              |              |
| 1(2)(a)       | 1/5th of total Board of Directors shall be Independent Director (ID)  | Partly Complied |              |              |
| 1(2)(b)(i)    | Does not hold any share or less than 1% shares in the Company.  | ✓               |              |              |
| 1(2)(b)(ii)   | Not a Sponsor of the Company.   | ✓               |              |              |
| 1(2)(b)(iii)  | Who has not been an executive of the company in immediately preceding 2 (two) financial years.  | ✓               |              |              |
| 1(2)(b)(iv)   | Does not have any other relationship with the company or its subsidiary or associated companies.  | ✓               |              |              |
| 1(2)(b)(v)    | Not a Member or TREC holder, director or officer of any stock exchange.   |                 | ✓            |              |
| 1(2)(b)(vi)   | Not a Shareholder/Director/Officer of any Member / TREC holder of stock exchange or an intermediary of the capital market.  |                 | ✓            |              |
| 1(2)(b)(vii)  | Not a partner or an Executive or was not a partner or an Executive during the Preceding 3 (Three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit or special audit or professional certifying complacence of this code. | ✓               |              |              |
| 1(2)(b)(viii) | Not an Independent Director in more than five listed Companies.   | ✓               |              |              |
| 1(2)(b)(ix)   | Not convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.   | ✓               |              |              |
| 1(2)(b)(x)    | Not convicted for a criminal offence involving moral turpitude.   | ✓               |              |              |
| 1(2)(c)       | Appointed by the Board and approved by the shareholders in AGM.   | ✓               |              |              |
| 1(2)(d)       | Post cannot remain vacant more than 90 days.  |                 | ✓            |              |
| 1(2)(2)       | Tenure of the Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.   | ✓               |              |              |
| <b>1(3)</b>   | <b>Qualification of Independent Director</b>  |                 |              |              |
| 1(3)(a)       | Independent Director shall be a knowledgeable individual with integrity.  | ✓               |              |              |
| 1(3)(b)(i)    | Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100 million or any listed company.   |                 |              | N/A          |
| 1(3)(b)(ii)   | Should be a Corporate Leader/Business Leader.   | ✓               |              |              |
| 1(3)(b)(iii)  | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale.  |                 |              | N/A          |
| 1(3)(b)(iv)   | University Teacher who has educational background in Economics or Commerce or Business Studies or Law.  |                 |              |              |
| 1(3)(b)(v)    | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a CA/ C & MA/CFA/CCA/CPA/ or CMA/ CS or equivalent qualification.  |                 |              |              |
| 1(3)(c)       | The independent director shall have at least 10 (ten) years of experiences.   | ✓               |              |              |
| 1(3)(d)       | Relaxation in special cases.  |                 |              | N/A          |
| <b>1(4)</b>   | <b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>  |                 |              |              |
| 1(4)(a)       | The positions of Chairperson of the board and MD and/or CEO shall be different individuals.   | ✓               |              |              |
| 1(4)(b)       | MD and/or CEO of a listed Company shall not hold the same position in another listed Company.   | ✓               |              |              |

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

| Condition No. | Title  | Status   |              | Remarks |
|---------------|--|----------|--------------|---------|
|               |  | Complied | Not Complied |         |
| 1(4)(c)       | The Chairperson shall be elected from among the non-executive directors of the company.  | √        |              |         |
| 1(4)(d)       | The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.  | √        |              |         |
| 1(4)(e)       | In absence of Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting.  | √        |              |         |
| <b>1(5)</b>   | <b>The Directors' Report to Shareholders</b>   |          |              |         |
| 1(5)(i)       | Industry outlook and possible future developments in the industry.   | √        |              |         |
| 1(5)(ii)      | Segment-wise or product-wise performance.  | √        |              |         |
| 1(5)(iii)     | Risks and concerns including internal and external risk factor, threat to sustainability and negative impact on environment.   | √        |              |         |
| 1(5)(iv)      | Discussion on Cost of Goods sold, Gross profit Margin and Net Profit Margin.   | √        |              |         |
| 1(5)(v)       | Discussion on continuity of any extraordinary activities and their implications.   |          |              | N/A     |
| 1(5)(vi)      | Detailed discussion and statement on related party transactions.   | √        |              |         |
| 1(5)(vii)     | Utilization of proceeds from public, rights issues and/ or through any others instruments.   | √        |              |         |
| 1(5)(viii)    | Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.   |          |              | N/A     |
| 1(5)(ix)      | Explanation on any significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.  |          |              |         |
| 1(5)(x)       | Remuneration to Directors including Independent Director.  | √        |              |         |
| 1(5)(xi)      | Statement that financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.  | √        |              |         |
| 1(5)(xii)     | Proper books of account of the issuer company have been maintained.  | √        |              |         |
| 1(5)(xiii)    | Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.  | √        |              |         |
| 1(5)(xiv)     | International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed. | √        |              |         |
| 1(5)(xv)      | The system of internal control is sound in design and has been effectively implemented and monitored.  | √        |              |         |
| 1(5)(xvi)     | A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.  |          |              | N/A     |
| 1(5)(xvii)    | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed.               | √        |              |         |
| 1(5)(xviii)   | Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.   | √        |              |         |
| 1(5)(xix)     | Key operating and financial data of at least preceding 5 (five) years shall be summarized.   | √        |              |         |
| 1(5)(xx)      | If the issuer company has not declared dividend (cash or stock) for the year, the reasons there of shall be given.   |          |              | N/A     |
| 1(5)(xxi)     | Board's statement to the effect that no bonus shares or stock dividend has been or shall be declared as interim dividend.  |          |              |         |
| 1(5)(xxii)    | The number of Board meetings held during the year and attendance by each Director shall be disclosed.  | √        |              |         |
| 1(5)(xxiii)   | A report on the pattern of shareholding disclosing the aggregate number of shares (name wise details).   |          |              |         |

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

| Condition No.  | Title   | Status   |              | Remarks       |
|----------------|---|----------|--------------|---------------|
|                |   | Complied | Not Complied |               |
| 1(5)(xxiii)(a) | Parent/Subsidiary/Associated Companies and other related parties (name wise details).   |          |              | N/A           |
| 1(5)(xxiii)(b) | Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).  | ✓        |              |               |
| 1(5)(xxiii)(c) | Executives  | ✓        |              |               |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).  | ✓        |              |               |
| 1(5) (xxiv)(a) | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).  | ✓        |              |               |
| 1(5)(xxiv)(b)  | A brief resume of the director in case of appointment or reappointment.<br>Nature of his/her expertise in specific functional areas.  | ✓        |              |               |
| 1(5)(xxiv)(c)  | Names of the companies in which the person also holds the directorship and the membership of committees of the Board.   | ✓        |              |               |
| 1(5)(xxv)      | <b>Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:</b>   | ✓        |              |               |
| 1(5)(xxv)(a)   | Accounting policies and estimation for preparation of financial statements.   | ✓        |              |               |
| 1(5)(xxv)(b)   | Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes.  | ✓        |              |               |
| 1(5)(xxv)(c)   | Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons thereof.   | ✓        |              |               |
| 1(5)(xxv)(d)   | Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.   | ✓        |              |               |
| 1(5)(xxv)(e)   | Briefly explain the financial and economic scenario of the country and the global.  | ✓        |              |               |
| 1(5) (xxv)(f)  | Risks and concerns issues related to the financial statements and concerns mitigation plan of the company.  | ✓        |              |               |
| 1(5)(xxv)(g)   | Future plan or projection or forecast for company's operation, performance and financial position shall be explained to the shareholders in the next AGM.   | ✓        |              |               |
| 1(5)(xxvi)     | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) disclosed in page 58.  | ✓        |              |               |
| 1(5)(xxvii)    | The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 disclosed in page 55.   | ✓        |              |               |
| <b>1(6)</b>    | The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with BSS as adopted by the Institute of Chartered Secretaries of Bangladesh  | ✓        |              |               |
| 1(7)           | <b>Code of conduct for the Chairperson, other Board members and Chief Executive Officer</b>   |          |              |               |
| 1(7)(a)        | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC).   | ✓        |              |               |
| 1(7)(b)        | The code of conduct as determined by the NRC shall be posted in the website of the company among others prudent conduct & behavior; confidentiality; conflict of interest; compliance with laws, rules & regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency |          |              | Under process |
| <b>2.00</b>    | <b>Governance of Board of Directors of Subsidiary Company</b>   |          |              |               |
| 2(a)           | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company.  |          |              | N/A           |
| 2(b)           | At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company.   |          |              |               |
| 2(c)           | Minutes of subsidiary to be placed in the meeting of holding company.   |          |              |               |
| 2(d)           | The minutes of the respective Board meeting of the holding company. The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.   |          |              |               |

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

| Condition No. | Title  | Status   |              | Remarks |
|---------------|--|----------|--------------|---------|
|               |  | Complied | Not Complied |         |
| 2(e)          | The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.  |          |              | N/A     |
| <b>3.00</b>   | <b>Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)</b>   |          |              |         |
| <b>3(1)</b>   | <b>Appointment</b>   |          |              |         |
| 3(1)(a)       | Board shall appoint a MD or CEO, Company Secretary, CFO and HIAC.  | ✓        |              |         |
| 3(1)(b)       | The positions of the MD, CEO, CS, CFO and HIAC shall be filled by different individuals.   | ✓        |              |         |
| 3(1)(c)       | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time.   | ✓        |              |         |
| 3(1)(d)       | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.  | ✓        |              |         |
| 3(1)(e)       | MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board and be disseminated to the Commission and stock exchange(s).  | ✓        |              |         |
| <b>3(2)</b>   | MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board.  | ✓        |              |         |
| <b>3(3)</b>   | <b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>   |          |              |         |
| 3(3)(a)       | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:   | ✓        |              |         |
| 3(3)(a)(i)    | The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.  | ✓        |              |         |
| 3(3)(a)(ii)   | The statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.  | ✓        |              |         |
| 3(3)(b)       | The MD or CEO and CFO to certify that there are no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members. | ✓        |              |         |
| 3(3)(c)       | The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.   | ✓        |              |         |
| <b>4.00</b>   | <b>Board of Directors' Committee</b>   |          |              |         |
| 4(i)          | Audit Committee  | ✓        |              |         |
| 4(ii)         | Nomination and Remuneration Committee  | ✓        |              |         |
| <b>5</b>      | <b>Audit Committee</b>   |          |              |         |
| <b>5(1)</b>   | <b>Responsibility to the Board of Directors</b>  |          |              |         |
| 5(1)(a)       | Company shall have an Audit Committee as a sub- committee of the Board.  | ✓        |              |         |
| 5(1)(b)       | Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.  | ✓        |              |         |
| 5(1)(c)       | The Audit Committee shall be responsible to the Board.   | ✓        |              |         |
| 5(1)(d)       | The duties of the Audit Committee shall be clearly set forth in writing.   | ✓        |              |         |
| <b>5(2)</b>   | <b>Constitution of the Audit committee</b>   |          |              |         |
| 5(2)(a)       | The Audit Committee shall be composed of at least 3 (three) members.   | ✓        |              |         |
| 5(2)(b)       | Board shall appoint members of the Audit Committee who shall be non- executive director of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director.                       | ✓        |              |         |
| 5(2)(c)       | All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience.                  | ✓        |              |         |
| 5(2)(d)       | When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold.  | ✓        |              |         |
| 5(2)(e)       | The Company Secretary shall act as the Secretary of the Audit Committee.   | ✓        |              |         |

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

| Condition No.  | Title  | Status   |              | Remarks |
|----------------|--|----------|--------------|---------|
|                |  | Complied | Not Complied |         |
| 5(2)(f)        | Quorum of Audit Committee meeting shall not constitute without at least 1(one) independent director.   | √        |              |         |
| <b>5(3)</b>    | <b>Chairperson of the Audit Committee</b>  |          |              |         |
| 5(3)(a)        | The Board shall select Chairperson of the Audit Committee who will be Independent Director.  | √        |              |         |
| 5(3)(b)        | Absence of the Chairperson of the Audit Committee members to elect one and the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | √        |              |         |
| 5(3)(c)        | Chairperson of the Audit Committee shall remain present in the AGM.  | √        |              |         |
| <b>5(4)</b>    | <b>Meeting of the Audit Committee</b>  |          |              |         |
| 5(4)(a)        | The Audit Committee shall conduct at least its four meetings in a financial year.  | √        |              |         |
| 5(4)(b)        | Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher where presence of an independent director is a must.                                   | √        |              |         |
| <b>5(5)</b>    | <b>Role of Audit Committee</b>   |          |              |         |
| 5(5)(a)        | Oversee the financial reporting process.   | √        |              |         |
| 5(5)(b)        | Monitor choice of accounting policies and principles.  | √        |              |         |
| 5(5)(c)        | Internal Audit and Compliance process to ensure that it is adequately resourced.   | √        |              |         |
| 5(5)(d)        | Oversee hiring and performance of external auditors.   | √        |              |         |
| 5(5)(e)        | Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.                                    | √        |              |         |
| 5(5)(f)        | Review with the management, the annual financial statements before submission to the Board for approval.   | √        |              |         |
| 5(5)(g)        | Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.  | √        |              |         |
| 5(5)(h)        | The review adequacy of internal audit function.  | √        |              |         |
| 5(5)(i)        | Review the management's discussion and analysis before disclosing in the Annual Report.  | √        |              |         |
| 5(5)(j)        | Review statement of all related party transactions submitted by the management.  | √        |              |         |
| 5(5)(k)        | Review management letters or letter of Internal Control weakness issued by statutory auditors.   |          |              | N/A     |
| 5(5)(l)        | Oversee determination of audit fees based on scope and magnitude and evaluate the performance of external auditor.   | √        |              |         |
| 5(5)(m)        | Oversee whether IPO or RPO or RSO proceeds utilized as per the published prospectus.   | √        |              |         |
| <b>5(6)</b>    | <b>Reporting of the Audit Committee</b>  |          |              |         |
| <b>5(6)(a)</b> | <b>Reporting to the Board of Directors</b>   |          |              |         |
| 5(6)(a)(i)     | The Audit Committee shall report on its activities to the Board.   |          |              | N/A     |
| 5(6)(a)(ii)(a) | Report on conflicts of interests.  |          |              |         |
| 5(6)(a)(ii)(b) | Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements.             |          |              |         |
| 5(6)(a)(ii)(c) | Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.  |          |              |         |
| 5(6)(a)(ii)(d) | Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.  |          |              |         |
| 5(6)(b)        | Reporting to the Authorities   |          |              |         |
| <b>5(7)</b>    | <b>Reporting to the Shareholders and General Investors</b>   | √        |              |         |
| <b>6</b>       | <b>Nomination and Remuneration Committee (NRC)</b>   |          |              |         |
| <b>6(1)</b>    | <b>Responsibility to the Board of Directors</b>  | √        |              |         |
| 6(1)(a)        | The company shall have a NRC as a sub-committee of the Board.  | √        |              |         |

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

| Condition No. | Title  | Status   |              | Remarks |
|---------------|--|----------|--------------|---------|
|               |  | Complied | Not Complied |         |
| 6(1)(b)       | NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications.   | √        |              |         |
| 6(1)(c)       | The Terms of Reference of the NRC shall be clearly set forth in writing.   | √        |              |         |
| <b>6(2)</b>   | <b>Constitution of the NRC</b>   |          |              |         |
| 6(2)(a)       | The Committee shall comprise of at least three members including an Independent Director.  | √        |              |         |
| 6(2)(b)       | All members of the Committee shall be non-executive directors.   | √        |              |         |
| 6(2)(c)       | Members of the Committee shall be nominated and appointed by the Board.  | √        |              |         |
| 6(2)(d)       | Board shall have authority to remove and appoint any member of the committee.  | √        |              |         |
| 6(2)(e)       | Board shall fill the vacancy within 180 days of such vacancy in the Committee.   |          |              | N/A     |
| 6(2)(f)       | The Chairperson of the Committee may appoint/co-opt any external expert.   |          |              |         |
| 6(2)(g)       | The company secretary shall act as the secretary of the committee.   | √        |              |         |
| 6(2)(h)       | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.   | √        |              |         |
| 6(2)(i)       | No member of the NRC shall receive any remuneration/ advisory, other than Director's fees or honorarium from the company.  | √        |              |         |
| <b>6(3)</b>   | <b>Chairperson of the NRC</b>  |          |              |         |
| 6(3)(a)       | Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an Independent Director.  | √        |              |         |
| 6(3)(b)       | Absence of chairperson, the remaining members may elect one of them; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.   | √        |              |         |
| 6(3)(c)       | Chairperson of the NRC shall attend the AGM.   | √        |              |         |
| <b>6(4)</b>   | <b>Meeting of the NRC</b>  |          |              |         |
| 6(4)(a)       | The NRC shall conduct at least one meeting in financial year.  | √        |              |         |
| 6(4)(b)       | The Chairperson of the NRC, may convene any emergency meeting upon request by any member of the NRC.   | √        |              |         |
| 6(4)(c)       | Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher, where presence of an independent director is must.  | √        |              |         |
| 6(4)(d)       | Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.   | √        |              |         |
| <b>6(5)</b>   | <b>Role of NRC</b>   |          |              |         |
| 6(5)(a)       | NRC shall be independent and responsible or accountable to the Board and to the shareholders.  | √        |              |         |
| 6(5)(b)(i)(a) | Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.   | √        |              |         |
| 6(5)(b)(i)(b) | Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.   | √        |              |         |
| 6(5)(b)(i)(c) | Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.       | √        |              |         |
| 6(5)(b)(ii)   | Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.   | √        |              |         |
| 6(5)(b)(iii)  | Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down and recommend their appointment and removal to the Board. | √        |              |         |
| 6(5)(b)(iv)   | Formulating criteria for evaluation of performance of independent directors and the Board.   | √        |              |         |
| 6(5)(b)(v)    | Identifying company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.   | √        |              |         |

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

| Condition No. | Title   | Status   |              | Remarks |
|---------------|---|----------|--------------|---------|
|               |   | Complied | Not Complied |         |
| 6(5)(b)(vi)   | Developing recommending and reviewing annually the company's human resources and training policies.   | √        |              |         |
| 6(5)(c)       | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.   | √        |              |         |
| <b>7</b>      | <b>External or Statutory Auditors</b>   |          |              |         |
| 7(1)          | Issuer company shall not engage its external auditors to perform the following:   | √        |              |         |
| 7(1)(i)       | Appraisal or valuation services or fairness opinions.   | √        |              |         |
| 7(1)(ii)      | Financial information systems design and implementation.  | √        |              |         |
| 7(1)(iii)     | Book keeping or other service related to the accounting records or financial statements.  | √        |              |         |
| 7(1)(iv)      | Broker-dealer services  | √        |              |         |
| 7(1)(v)       | Actuarial services  | √        |              |         |
| 7(1)(vi)      | Internal or special audit services.   | √        |              |         |
| 7(1)(vii)     | Any services that the Audit Committee may determine.  | √        |              |         |
| 7(1)(viii)    | Audit or certification services on compliance of corporate governance.  | √        |              |         |
| 7(1)(ix)      | Any other service that may create conflict of interest.   | √        |              |         |
| 7(2)          | No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.  | √        |              |         |
| 7(3)          | Representative of external or statutory auditors shall remain present in the AGM.   | √        |              |         |
| <b>8</b>      | <b>Maintaining a website by the company</b>   |          |              |         |
| 8(1)          | The company shall have an official website linked with that of the stock exchange.  | √        |              |         |
| 8(2)          | The company shall keep the website functional from the date of listing.   | √        |              |         |
| 8(3)          | The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).  | √        |              |         |
| <b>9</b>      | <b>Reporting and Compliance of Corporate Governance</b>   |          |              |         |
| 9(1)          | The company shall obtain a certificate from a practicing Professional Accountant or Secretary on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | √        |              |         |
| 9(2)          | The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.  | √        |              |         |
| 9(3)          | The directors of the company shall state, in accordance with the Page No. 32 whether the company has complied with these conditions or not.   | √        |              |         |

# COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Compliance of condition no. 1.4 (k)

The pattern shareholder as at December 31, 2020

- i) Parent/Subsidiary/Associated companies and other related parties N/A  
 ii) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Auditor and their spouses and minor children:

| SI  | Name of Directors & Executives  | Status               | No of Share held | Share held by the Spouse/Children | Remarks |
|-----|---------------------------------|----------------------|------------------|-----------------------------------|---------|
| (a) | Mr. Mohd. Hanif Chowdhury       | Chairman             | 953621           | 103588                            | Spouse  |
|     | Mr. S.M. Shafiul Hoque          | Vice Chairman        | 1097836          |                                   |         |
|     | Mrs. Hasina Gazi                | Director             | 1405216          | 140271                            | Spouse  |
|     | Mr. Sadeque Hossain Chowdhury   | Director             | 945429           | 929521                            | Spouse  |
|     | Mr. Saber Hossain Chowdhury, MP | Director             | 927436           | 1340992                           | Spouse  |
|     | Mrs. Shahin Haider              | Director             | 927444           | 927789                            | Spouse  |
|     | Mrs. Khurshida Rahman           | Director             | 1545738          | -                                 |         |
|     | Mr. Mahboob Ur Rahman           | Director             | 1411601          | -                                 |         |
|     | Mr. Feroz U. Haider             | Director             | 927789           | 927444                            | Spouse  |
|     | Mrs. Rehana Chowdhury           | Director             | 1340992          | 927436                            | Spouse  |
|     | Mr. Md. Arshed                  | Independent Director | Nil              | -                                 |         |
| (b) | Mr. Sahid-Ul-Hasan              | CEO                  | Nil              | -                                 |         |
| (c) | Mr. Sajan Kumar Basak           | DMD & CS             | Nil              | -                                 |         |
| (d) | Mr. Md. Moshfiqur Rahman        | SVP & CFO            | Nil              | -                                 |         |
| (e) | Mr. Prollad Rajbongshi          | AM (IA)              | Nil              | -                                 |         |

- iii) Executive (top five Salaried Employees of the Company), other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.

| Name                      | Designation                                     | Share |
|---------------------------|---|-------|
| Mr. Sirajul Islam Bhuiyan | DMD & Branch Incharge, Hatkhola Branch, Dhaka   | Nil   |
| Mr. Md. Shamsuddoha Khan  | DMD & Branch Incharge, Khulna Branch, Dhaka     | Nil   |
| Mr. Md. Shamsuddin        | SEVP & Branch Incharge, Paltan Branch, Dhaka    | Nil   |
| Mr. Mohammed Rukunuzzaman | SEVP & Branch Incharge, Local Office, Dhaka     | Nil   |
| Mr. Ziaur Rahman (Miron)  | SEVP & Branch Incharge, Principal Branch, Dhaka | Nil   |

- iv) Shareholders holding 10% or more voting interest in the Company.

| Name | Designation | Share |
|------|-------------|-------|
| Nil  | Nil         | Nil   |

# COMPLIANCE CERTIFICATE



টি, হোসেন এন্ড কোং  
T. HUSSAIN & CO.  
Chartered Accountants  
Independent member firm of CH International, UK

**Report to the Shareholders of  
Republic Insurance Company Limited  
on  
Compliance Certificate on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Republic Insurance Company Limited for the year ended on December 31, 2020. This Code relates to the Notification No.BSEC/CMRRC-D/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.

Place: Dhaka  
Dated: July 05, 2021

  
Mohammad Abu Kawsar, FCA  
Partner  
T. Hussain & Co.  
Chartered Accountants,  
DVC: 2107051497CC905778

HB Tower (1st Floor) 23/G/1  
Free School Street (Panthapath)  
Dhaka-1205, Bangladesh.

Phone : 9641123  
Cell : 01707 043797, 01713 043791  
E-mail : mdkawsar1974@gmail.com

# DIRECTORS' MEETING AND ATTENDANCE 2020

## DIRECTORS' MEETING AND ATTENDANCE 2020

| Name of Board Member                                 | Board of Directors Meeting (BOD) |                  | Executive Committee Meeting (EC) |                  | Audit Committee Meeting (AC) |                  | Claims Committee Meeting (CC) |                  | NRC Meeting                 |                  |
|--|----------------------------------|------------------|----------------------------------|------------------|------------------------------|------------------|-------------------------------|------------------|-----------------------------|------------------|
|  | Total BOD Meeting held 2020      | Meeting Attended | Total EC Meeting held 2020       | Meeting Attended | Total AC Meeting held 2020   | Meeting Attended | Total CC Meeting held 2020    | Meeting Attended | Total NRC Meeting held 2020 | Meeting Attended |
| Mr. Mohd. Hanif Chowdhury<br>Chairman                | 4                                | 4                |                                  |                  |                              |                  |                               |                  |                             |                  |
| Mr. S.M. Shafiqul Hoque<br>Vice Chairman             | 4                                | 4                | 3                                | 3                | 5                            | 5                |                               |                  |                             |                  |
| Mrs. Hasina Gazi<br>Director                         | 4                                | 1                |                                  |                  |                              |                  |                               |                  |                             |                  |
| Mr. Sadeque Hossain Chowdhury<br>Director            | 4                                | 4                |                                  |                  |                              |                  |                               |                  |                             |                  |
| Mr. Saber Hossain Chowdhury, MP<br>Director          | 4                                | 4                |                                  |                  |                              |                  |                               |                  |                             |                  |
| Mrs. Khurshida Rahman<br>Director                    | 4                                | 4                |                                  |                  |                              |                  |                               |                  |                             |                  |
| Mrs. Shahin Haider<br>Director                       | 4                                | 4                |                                  |                  |                              |                  |                               |                  |                             |                  |
| Mr. Gazi Golam Ashria<br>Director                    | 4                                | 2                |                                  |                  | 5                            | -                |                               |                  |                             |                  |
| Mr. Mahboob Ur Rahman<br>Director                    | 4                                | -                |                                  |                  |                              |                  |                               |                  | 1                           | -                |
| Mr. Feroz U. Haider<br>Director                      | 4                                | 4                |                                  |                  |                              |                  |                               |                  | 1                           | 1                |
| Mrs. Rehana Chowdhury<br>Director                    | 4                                | 2                |                                  |                  |                              |                  |                               |                  | 1                           | 1                |
| Mr. Md. Arshed<br>Independent Director               | 4                                | 3                | 3                                | 3                | 5                            | 3                |                               |                  |                             |                  |
| Mr. M. Salah Uddin Chowdhury<br>Independent Director | 4                                | 1                | 3                                | 1                |                              |                  |                               |                  |                             |                  |

NB: Mr. Gazi Golam Ashria, Director and Mr. M. Salahuddin Chowdhury, Independent Director resigned on August 13, 2020 and September 01, 2020 from the Board of Directors of the Company respectively.

# BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES



Ref. No: (M-2020/090)

Date of issue : February 16, 2020

## Renewed Certificate

*This is to certify that*

**REPUBLIC INSURANCE COMPANY LIMITED**

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.*

*This certificate remains current until 31<sup>st</sup> December 2020.*



  
Secretary-General

# CEO & CFO'S DECLARATION OF THE BOARD OF DIRECTORS

The Board of Directors  
Republic Insurance Company Limited,  
HR Bhaban (6th & 9th Floor),  
26/1 Kakrail, Dhaka-1000,  
Bangladesh

Subject: CEO & CFO's Declaration to the Board of Directors.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/ CMRRCD/2006-158/ 207/ Admin/80, dated: June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

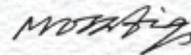
- (1) The Financial Statements of Republic Insurance Company Limited for the year ended on December 31, 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

**In this regard, we also certify that:-**

- (a) We have reviewed the financial statements for the year ended on December 31, 2020 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - (ii) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (b) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.



(Sahid-Ul-Hasan)  
Chief Executive Officer (CEO)



(Mohammad Moshfiqur Rahman)  
Chief Financial Officer (CFO)

# AUDIT COMMITTEE'S REPORT FOR THE YEAR 2020

Republic Insurance Company Limited established an audit committee as a sub-committee of the Board of Directors. The Committee supports the Board in fulfilling its oversight responsibilities.

The Audit Committee of Republic Insurance Company Limited Comprises of the following Board members:

| Name                   | Position of the Board | Position of the Committee |
|------------------------|-----------------------|---------------------------|
| Mr. Md. Arshed         | Independent Director  | Chairman                  |
| Mr. S.M. Shafiul Hoque | Vice Chairman         | Member                    |
| Mrs. Khurshida Rahman  | Director              | Member                    |



## **Terms of Reference:**

The terms of reference of the Committee has been agreed upon as follows:

- To review all internal and external audit report;
- To recommend the statutory annual audited financial statements to the Board of Directors for approval;
- To review the finding of the internal and external auditors;
- To review and approve the Annual Audit Plan of the Internal Audit Department;
- To monitor the implementation of the recommendations of the Internal and External auditors;
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees;
- To review the quarterly, half yearly and annual financial statements before submission to the Board for approval;
- To review the company's statement on internal control systems prior to endorsement by the Board.

## **Activities:**

- The financial statements of the first quarter, half year, third quarter and the full year were reviewed by the committee and subsequently recommended to the Board for consideration and approval.
- The Committee also reviewed the work of the internal audit department and made suggestions for improvement.
- The Committee recognized the observation of the internal audit department regarding internal control and suggestions made to improve operational systems and procedures and their implementation.

## **Recommendation:**

1. The Financial Statements for the year ended December 31, 2020 may be approved.
2. Malek Siddiqui Wali, Chartered Accountants may be appointed as the statutory auditor of the Company for the year ended December 31, 2021 at existing fees of Tk. 3,85,000.00 (including VAT & Tax) subject to the approval of the Shareholders at the 21st Annual General Meeting of the Company.
3. T. Hussain & Co., Chartered Accountants may be appointed as the compliance auditor of the Company for the year ended December 31, 2021 at existing fees of Tk. 50,000.00 (including VAT & Tax) subject to the approval of the Shareholders at the 21st Annual General Meeting of the Company.

Sd/  
Md. Arshed  
Chairman of the Audit Committee

# REPORT ON CORPORATE GOVERNANCE CODE [CGC]

## Corporate Governance

Bangladesh Securities and Exchange Commission (BSEC) rationalized the Corporate Governance Code (CGC) and repealed the existing corporate governance guideline on June 3, 2018 in order to enhance the corporate governance in the interest of the investors and the capital market. Listed Companies shall comply in accordance with the condition stipulated in the code.

Republic Insurance Company Limited (RICL) is the 3rd generation Non-life Insurance Companies in Bangladesh that complying full phase corporate governance code. The company is proactive in terms of quality business that helps for better future of the insurance industry in Bangladesh. RICL believe corporate governance for all i.e. investor, customers/clients, insured's, re-insurer, employees, staffs, suppliers and other stakeholders.

Corporate Governance refers to the system by which corporations are directed and controlled. Corporate governance structure specifies the distribution of rights and responsibilities among different participants such as the Board of Directors, managers, shareholders, creditors, regulators and other stakeholders and specifies the rules and procedures for making decisions in corporate affairs. Corporate governance provides structure through which corporations /companies set and pursue their objectives. Corporate governance is a mechanism for monitoring the actions, policies and decisions of corporations/companies. It involves alignment of interests among the shareholders.

Republic Insurance Company Limited has given the key priority over the corporate governance practice. Corporate governance is practiced in all levels of the management of the Company i.e. from Directors to the junior level employees. It is the Board of Directors' responsibilities to implement corporate governance system in the Company and the board of directors in RICL is doing so applying their best knowledge and expertise complying with the rules laid down by the SEC notification NO.SEC/CMRRCD/2006-158/207/Admin/80, dated: June 3, 2018.

## Board of Directors

### Board Size

The Board comprising of 12 (twelve) Directors out of which 11 (eleven) are Non-Executive Directors and 1 (one) is Executive Director who is the Chief Executive Officer (CEO) of the Company. Out of 12 (twelve) Non-Executive Directors one is the Chairman who has been elected from the Board Members. The composition of the Board complies with the rules of Insurance Development & Regulatory Authority (IDRA) & notification of Bangladesh Securities and Exchange Commission (BSEC). Directors of the Company have talent, required skills and well experience in providing prudent guidance in respect to the operation of the Insurance business. The Chairman and the Chief Executive Officer of the Company are different bodies with separate functions and responsibilities of each.

### Roles and Responsibilities of the Board:

The Articles of Association of the Company has given the Board of Directors' the exten-

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

sive power including the day to day management of the Company. The Board is proactive in appropriate application of the corporate governance system and it puts its best effort to extract a positive result out of it that can make the Company well governed and well structured.

The Board of Directors has full control over the Company's day to day affairs and is also fully accountable to the shareholders. The Board also formulates the strategic objectives and policy framework for the Company. In discharging the above responsibilities the Board carries out, the following functions as per the charter of the Board:

- Determine, monitor and evaluate strategies, policy, management performance criteria and business plan.
- Periodic and timely reporting to the shareholders on the affairs, progress and performance of the Company.
- Ensuring proper decision making and accountability structure throughout the Company so that the saffdown the line is fully accountable to the corporate management.
- Approval of annual budget including major capital expenditure proposals.
- Critical evaluation of all proposals which requires Board's approval and directives.
- Regular review of financial performance and overdue situations.
- Appointment and evaluation of the performance of the top management positions.
- Ensuring that the senior management team has the necessary skill and experience to perform their function effectively in the best interest of the Company.
- Monitoring the adequacy, appropriateness and operation of internal control.

### **Code of conduct of the Chairperson, other Board Members and Chief Executive Officer**

The Chairperson, other Board Members and Chief Executive Officer of the Company shall act within the authority conferred upon them, in the best interest of the Company and observe the following:

#### **Prudent conduct and behavior**

- The Chairperson, other Board Members and Chief Executive Officer shall act honestly, ethically, in good faith and in the best interest of the Company.
- Whilst carrying out the duties, the Chairperson, other Board members and Chief Executive Officer shall ensure that it is executed in terms of the authorizations granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of Directors of the Company from time to time.
- The Chairperson, other Board Members and Chief Executive Officer shall refrain from indulging in any discriminatory practice or behavior based on race, color, sex, age, religion, ethnic or national origin, disability or any other unlawful basis. The ethical conduct, performance and skills shall be the qualifying indicators for an employee's performance.
- The Chairperson, other Board Members and Chief Executive Officer shall conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.
- The Chairperson, other Board Members and Chief Executive Officer shall use the Company's assets, property, proprietary information and intellectual rights for business purposes of the Company and not for any personal benefits or gains.

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

### Confidentiality

- The Chairperson, other Board Members and Chief Executive Officer should conduct themselves so as to meet the expectations of operational transparency of the stakeholders while at the same time maintaining confidentiality of information in order to foster a culture conducive to good decision making. “Confidential information” includes, amongst others, all information of the Company not authorized by the management of the Company for public dissemination.
- All confidential information must be held in confidence, unless authorized by the Board or otherwise permissible in accordance with this Code; or the same is part of the public domain at the time of disclosure; or is required to be disclosed in accordance with applicable laws.

### Conflict of interest

- The Chairperson, other Board Members and Chief Executive Officer shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company.
- The Chairperson, other Board Members and Chief Executive Officer should disclose to the board whether they directly, indirectly or on behalf of third parties have a material interest in any transaction or matter directly affecting the Company.
- All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board of Directors.

### Compliance with Laws, Rules and Regulations

The Chairperson, other Board Members and Chief Executive Officer shall ensure compliance with the various legal/regulatory requirements as applicable to the business of the Company and endeavor that before any directions are given or decisions taken, relevant legal/regulatory requirements are taken into account.

### Prohibition of Insider Trading

- The Chairperson, other Board Members and Chief Executive Officer shall comply with all laws, rules, and regulations governing trading in the shares of the Company and the Company’s Code of Conduct for Prohibition of Insider Trading in dealing with the securities of the Company which, inter alia, prohibits buying or selling of the Company’s securities on the basis of any unpublished price sensitive information and prohibits disclosure of such information to any other person (including relatives) where such information may be used by such person for his or her personal benefit or gain.
- The Chairperson, other Board Members and Chief Executive Officer should comply with the provision of the Companies Act, 1994 and applicable rules and regulations issued by the Bangladesh Securities Exchange Commission, Dhaka Stock Exchange and Chittagong Stock Exchange, insofar as they relate to prohibitions on insider trading.

### Relationship with Environment

- The Chairperson, other Board Members and Chief Executive Officer should cause the Company to strive to provide a safe and healthy working environment and comply, in the conduct of the business affairs of the Company, with all regulations regarding the preservation of the environment of the industry it operates in.
- The Company should be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment in accordance with the applicable laws.

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

### Relationship with Employees

- The Chairperson, other Board Members and Chief Executive Officer should strive for causing the Company to maintain cordial employee relations.
- The Chairperson, other Board Members and Chief Executive Officer should cause the Company to build competency based human resource systems and maintain human resource policies that have been directed at managing the growth of the organization efficiently.
- The Chairperson, other Board Members and Chief Executive Officer should assist the Company in further aligning its human resource policies, processes and initiatives to meet its business needs.

### Relationship with Customers

- The Chairperson, other Board Members and Chief Executive Officer should ensure that the Company is committed to supply products and services of the highest quality standards backed by efficient after sales service consistent with the requirements of the customers to ensure their total satisfaction.
- The Chairperson, other Board Members and Chief Executive Officer should ensure that Company will properly engage in product advertising, publicity, and sales promotion activities to avoid misleading the customers.
- The Chairperson, other Board Members and Chief Executive Officer should ensure that the Company will engage in free and open competition with competitors to maintain its stance as a company trusted by customers and society.

### Relationship with Suppliers

- This Code contains general requirements applicable to all suppliers to Company. Particular supplier contracts may contain more specific provisions addressing some of these same issues. Nothing in this Code is meant to supersede any specific provision in a particular contract, and to the extent there is any inconsistency between this Code and any other provision of a particular contract, the other provision will prevail.
- The Chairperson, other Board Members and Chief Executive Officer should act in the best interest of the Company. Accordingly, the Chairperson, other Board members and Chief Executive Officer should have no relationship, financial or otherwise, with any supplier that might conflict, or appear to conflict, with the Chairperson, other Board members and Chief Executive Officer's obligation to act in the best interest of Company.

### Independency

- The Chairperson, other Board Members and Chief Executive Officer should remain independent in all material respects.
- The Chairperson, other Board Members and Chief Executive Officer should act impartial to the Employees, Customers, Suppliers, Shareholders and other Stakeholders.

### Independent Directors

To comply with the requirements of corporate governance as per BSEC Notification, the Board of Directors appointed 1 (one) qualified and experienced person as Independent Director of the Company. The Independent Director have complied with the following criteria and ensured their duties and responsibilities in the Board as recommended by the BSEC notification:

#### Qualification of the Independent Directors

Independent Director are qualified and well experienced and able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

Name of Independent Director of the Company are stated below along with qualification and background:

| Name           | Background quantification | Experience     |
|----------------|---------------------------|----------------|
| Mr. Md. Arshed | Graduate                  | Above 12 years |

### Appointment to the Board

The appointment of any new Director is made with the consent and approval of the Board of Directors' Meeting and such new Director retires in the immediate next Annual General Meeting (AGM). A retired director may offer himself for the re-appointment. Any new appointment to the Board requires information to the Insurance Development & Regulatory Authority, the BSEC and Stock Exchanges.

Regarding appointment of Public Director a gazette was published on July 11, 1994. As per notification, eligible directors holding minimum qualifying shares as may be determined by the company which should be an amount exceeding ten thousand taka on account of public subscription to the paid up capital at least 6 months before the date of election under section 15A.

Under section 15B(3); the date, time, place and other particulars of election and the number of Directors to be elected shall be circulated sixty days before such election by advertisement in at least two national daily newspapers.

According to the notification nomination in the prescribed form is invited from the eligible shareholders expressing his/her willingness to contest the election of Directors from the public shareholders in the AGM. Elected Public Directors will be appointed for next term.

### The Role and Responsibility of the Board

Republic Insurance Company Limited has developed an appropriate code of conduct for The Board of Directors. The Directors of the Board of Republic Insurance Company Limited follows the code strictly in every step in their behaviour. The Board of Directors maintains a good relationship with the employees, customers, members, shareholders, regulator and the public. They guide, supervise and advise the employees in respect of business related work and extend their cooperative hands as and when required. They are conscious about the rights of the shareholders and customers and careful about preserving those rights. The Board of Directors ensures that the Management is using the Company's assets, property, information and resources for the interest of the Company remaining within law. They act in good faith and maintain the confidentiality of information entrusted with them.

Board set vision, mission and strategies of the company to guide and set the pace for its current operations and future development and

- Reviewed and evaluated present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses and risks relating to the company.
- Determined strategic choices select those of be pursued, and decide the means to implement and support them and ensured that the company's organizational structure and their capabilities are appropriate for implementing the chosen strategies.
- Board delegated the management to monitor and evaluate implementation of policies, strategies and business plans.

### Chairperson of the Board of Directors

The main function of the Chairman is to preside at Meetings. The Chairman of the Republic Insurance Company Limited is not the Chief Executive of the Company. The Chairman's function is to supervise management and not to be part of it. The Chairman of the Company ensures the existence of an effective strategic planning system and

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

the appropriate consideration of the future development possibilities and also acts as a counselor, adviser and listener to the Chief Executive and, where necessary, other members of the Board.

- (a) Determines board composition and organization;
- (b) Clarifies board and management responsibilities;
- (c) Manages board and board committee meetings;
- (d) Develops the effectiveness of the board;
- (e) Chairs the board and shareholders' meeting;
- (f) Provides leadership to the board in all affairs of the board's function;
- (g) Ensures effective operation and performance of the board and its committees in conformity with the highest standards of corporate governance;
- (h) Works closely with and through the managing director and participates in the development of company's mission, vision, strategic objectives and business plans;
- (i) Ensures link between the board and the management; and
- (j) Ensures corporate social responsibilities (CSR) activities of the company.

### Board Meeting

The Directors get together time to time to review the activities of the Company and decide the topics relating to policy and accordingly monitor the progress of the Company. The Companies Act 1994 and Articles of Association of the Company require of Board meeting of the Directors and accordingly Republic Insurance Company Limited holds the meeting in time.

Board meetings are normally held to discuss and decide on major corporate, strategic and operational issues as well as to evaluate major investment opportunities. At the meetings, chairperson of the board allocated sufficient time for the directors to consider each agenda in a prudent way and allowed them to freely discuss, enquire and express opinion on the items of interest so that they can fulfill their duties to the best of their abilities. 4 (four) meetings of the Board were held in 2020, wherein policies and major business and strategic decisions were taken, At the invitation of the Board, members of senior management or partion thereof atinded Board meetings for the purpose of participating in discussions.

### Role of the Chief Executive Officer [CEO]

The Chief Executive Officer is responsible for the daily business of the Company. He is an Executive Director of the Board and also represents the Company. The Articles of Association of the Company and the guidelines of the Insurance Development and Regulatory Authority (IDRA) refer his duties and responsibilities to the Company. He implements the Board's strategy and policy as per guidance of the Board of Directors. He looks after the day-to-day business and is accountable to the Board for the financial and operational activities of the Company.

### Role of the Company Secretary

A Company Secretary is the chief administrative officer of the Company, responsible for the efficient administration of the Company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the Board of Directors are implemented. The Corporate Governance Guidelines issued by the SEC also requires a full-fledged Company Secretary as distinct from other mangers of the Company. The Company Secretary ensures that an organization complies with relevant legislation and regulation, and keeps Board members informed of their legal responsibilities. The Company Secretary is the Company's named representative on legal documents and it is his responsibility that the Company and its shareholders operate within the law. It is also his responsibility to register and communicate with the shareholders, to ensure that dividends are paid and to maintain company's records, such as, lists of Directors and shareholders, and annual accounts.

### Board Committees

Republic Insurance Company Limited has several Sub-committees under the Board. The Board members in their meeting appoint the members for the Sub committees including the Chairman of committee. After fulfillment of the

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

tenure of the committee, the members of committee change within the Board members. Every sub-committee has separate scope of work and the Board approve the terms of references. The Sub-committees are independent and responsible to provide their expertise opinion to the Board. At present, the following Committees are performing their duties on behalf of the Board:

The board of directors is assisted by the following 4 (four) main committee:

- (1) Audit committee
- (2) Nomination and Remuneration Committee (NRC)
- (3) Executive Committee
- (4) Claims Committee

### Audit Committee

Audit committee of Republic Insurance Company Limited is the Sub-Committee of the Board of Directors. Audit Committee comprises 3 (three) Directors nominated by the Board of Directors. The committee is headed by a Director who is an Independent Director of the company. The Chief internal Audit & Control officer has direct access to the Committee and the Committee is directly reportable to the Board. It operates according to the Terms of Reference approved by the Board and in compliance with the Section 3 of the Securities and Exchange Commission's Notification NO.SEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018.

#### Members of the Audit Committee:

| Name of the Directors  | Designation of the Board | Position in the Committee |
|------------------------|--------------------------|---------------------------|
| Mr. Md. Arshed         | Independent Director     | Chairman                  |
| Mr. S.M. Shafiul Hoque | Vice Chairman            | Member                    |
| Mrs. Khurshida Rahman  | Director                 | Member                    |

### Responsibility to the Board of Directors

- (a) The Company shall have an Audit Committee as a sub-committee of the Board;
- (b) The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;
- (c) The Audit Committee shall be responsible to the Board;
- (d) The duties of the Audit Committee shall be clearly set forth in writing.

### Constitution of the Audit Committee

- (a) The Audit Committee shall comprise of at least 3 (three) members;
- (b) The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;
- (c) All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;

#### Explanation:

The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.

- (d) When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;

- (e) The company secretary shall act as the secretary of the Committee; and
- (f) The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.

### Chairperson of the Audit Committee

- (a) The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;
- (b) In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes; and
- (c) Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).

Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.

### Meeting of the Audit Committee

- (a) The Audit Committee shall conduct at least its four meetings in a financial year;
- (b) Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee; and
- (c) The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a compulsory.

### Role of Audit Committee

The Audit Committee shall:-

- (a) Oversee the financial reporting process;
- (b) To monitor choice of accounting policies and principles;
- (c) To monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- (d) Oversee hiring and performance of external auditors;
- (e) hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- (f) To review along with the management, the annual financial statements before submission to the Board for approval;
- (g) To review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- (h) To review the adequacy of internal audit function;
- (i) To review the Management's Discussion and Analysis before disclosing in the Annual Report;
- (j) To review statement of all related party transactions submitted by the management;
- (k) To review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- (l) Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;
- (m) Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;
- (n) Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results; and

## REPORT ON CORPORATE GOVERNANCE CODE [CGC]

- (n) Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.

### Reporting of the Audit Committee

- (a) reporting to the Board of Directors;
- (i) The Audit Committee shall report on its activities to the Board.
- (ii) The Audit Committee shall immediately report to the Board on the following findings, if any.
- (b) report on conflicts of interests;
- (c) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
- (d) suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;
- (e) any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.

### Reporting to the Authorities

If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the Management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.

### Nomination and Remuneration Committee (NRC)

NRC Committee of Republic Insurance Company Limited comprises 4 (four) non-Executive Directors. The committee is headed by a director who is an Independent Director of the Company. Members are NRC committee is as follows:

| Name                  | Designation of the Board | Position in the Committee |
|-----------------------|--------------------------|---------------------------|
| Mr. Md. Arshed        | Independent Director     | Chairman                  |
| Mr. Feroz U. Haider   | Director                 | Member                    |
| Mrs. Rehana Chowdhury | Director                 | Member                    |
| Mr. Mahboob-Ur-Rahman | Director                 | Member                    |

### Responsibility to the Board of Directors

- (a) The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;
- (b) The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;
- (c) The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).

### Constitution of the NRC

- (a) The Committee shall comprise of at least three members including an independent director;
- (b) All members of the Committee shall be non-executive directors;
- (c) Members of the Committee shall be nominated and appointed by the Board;
- (d) The Board shall have authority to remove and appoint any member of the Committee;
- (e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

- (f) The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;
- (g) The company secretary shall act as the secretary of the Committee;
- (h) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;
- (i) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.

### Chairperson of the NRC

- (a) The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;
- (b) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;
- (c) The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;
- (d) Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

### Meeting of the NRC

- (a) The NRC shall conduct at least one meeting in a financial year;
- (b) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;
- (c) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);
- (d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

### Role of the NRC

- (a) NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- (b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
  - i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
    - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
    - (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - (c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
  - ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
  - iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
  - iv) formulating the criteria for evaluation of performance of independent directors and the Board;
  - v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

- vi) developing, recommending and reviewing annually the company's human resources and training policies;
- (c) The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

### Executive Committee

Executive Committee looks after the management reports of the branches performance with the proposals and recommendations of each employee's performance in the Company and also confirms the salary package, promotion, special increments, incentive bonus and other facilities. The Executive Committee also enhances the pay scale of the employees time to time with the support of the management requirements. The Committee consists of 5 Non executive Directors, who are appointed by the Board of the Company and the Managing Director too. At least, one Meeting is to be held in a year to confirm the facilities based on the performance of the Company. The members of Executive Committee as under:

| Name                   | Designation of the Board | Position in the Committee |
|------------------------|--------------------------|---------------------------|
| Mrs. Rehana Chowdhury  | Director                 | Chairman                  |
| Mr. S.M. Shafiul Hoque | Vice Chairman            | Member                    |
| Mrs. Khurshida Rahman  | Director                 | Member                    |
| Mr. Mahboob-Ur-Rahman  | Director                 | Member                    |
| Mr. Feroz U. Haider    | Director                 | Member                    |

### Chairman of the Executive Committee

Mrs. Rehana Chowdhury, Director was appointed as Chairman of Executive Committee (CEC) by the Board. She has vast knowledge in related field and is entrusted with the duty of monitoring the daily management performance with the support of the management.

### Claims Committee

Claim or loss handling is one of the major functions of insurance, it is the actual "product" paid. Claims filed by insured directly and the managements classify the loss on the basis of the documents & papers with their knowledge and experience. The surveyors of the Claim undertake an investigation of each claim, usually with close cooperation of the insured, determine coverage under the terms of the insurance contract, and if so, the surveyors submit reports on their survey to the Chief Executive Officer (CEO) along with their detailed comments. CEO on going through surveyors' reports and others relevant documents place the same with his opinion/advice for necessary decision before the claims committee comprising 3 (three) members. The members of Claims Committee as under:

| Name                   | Designation of the Board | Position in the Committee |
|------------------------|--------------------------|---------------------------|
| Mr. S.M. Shafiul Hoque | Vice Chairman            | Chairman                  |
| Mrs. Khurshida Rahman  | Director                 | Member                    |
| Mr. Md. Arshed         | Independent Director     | Member                    |

### Chairman of the Claim Committee

Mr. S.M. Shafiul Haque, Vice Chairman was appointed as Chairman Claims Committee by the Board. He has vast knowledge, good understanding about the business underwriting and claim settlement procedures.

### Management Committee

To look after the Management position and assist their performance with a proper guidance, the Managing Director calls different Management Meetings to assist the Managing Director in order to perform appropriately the activities of the Company. The Managing Director regularly discusses with high officials and concerned departmental Heads about the important issues before implementing the decisions.

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

The overall functions of the company are being carried out by the following 10 departments:

01. Board affairs
02. Administration department
03. Human resources department
05. Branch control department
06. Claims & Re-Insurance department
07. Internal control department
08. Branch Control department
09. Share department
10. Information technology department

The Meetings have been operating their activities to boost up the performance of employees. The branches also confirm the profitability by applying all the rules and regulations. The various activities of the above mentioned Committees are presented to the Chairman for his consideration and confirmation.

### **Communication with Shareholders and Stakeholders**

The company provides a balanced level of communication between the company and its stakeholders. The company has board affairs department to communicate with the stakeholders. Shareholders may communicate with this department at any time for any sort of information and query. The company provides updated information in its website for all the shareholders of the company. The company disseminates its all price sensitive information (PSI) within 30 minutes of the decision to the BSEC and the stock exchanges under the signature of Managing director or company secretary through fax/e-mail and by special messenger, and through courier services in special cases and immediately publishes the same in 2 widely circulated newspapers, one in Bangla and the other in English, and also in one online news portal. The shareholders are provided routine services by the company secretary in the matters of transfer of shares, replacement in case of damage of shares, payment of dividend, reissue of dividend warrant when warrants expires in the hand of shareholders, issue of certificates on tax deduction from dividend etc. The company also publishes its quarterly reports and annual reports within the time as stipulated in the listing rules of stock exchanges and also arranges necessary publications, and dispatches those accordingly. The annual report covers all the notes for current financial year, business performance, future plan, strategy and other key corporate information and disclosures. The board of directors regards the annual general meeting (AGM) and other general meetings as an important opportunity for direct communication with the honorable shareholders. To make the AGM more participatory, the company declares the date of AGM well ahead of time, circulates annual reports and other documents in time, manages AGM in a well-located place at convenient time, which allows the shareholders to attend and speak in the AGM freely. The company values their proposals and suggestions which are certainly pertinent and for the development and progress of the company. In the last AGM of RICL a large number of shareholders attended the meeting and participated in the discussions and made different queries and suggestions on different subjects. The company is fully committed to protect the interest of its shareholders. The directors and senior management also attend the annual general meeting (AGM) where they are available to respond to shareholders' questions. All shareholders have the right to vote at general meetings. The number of shareholders is increasing gradually which shows their constant faith on the company.

The Website of the company also contains corporate information, which is updated on a regular basis. The Website serves as a source of business, financial, and other relevant information on the company with easy access. Press releases, interim and annual reports and other information of interest of shareholders are regularly uploaded to company's Website. In addition, from time to time, the company publishes newsletters/information brochures which set out specific aspects of the company's operations for the general public/clients.

### **Human Capital**

Despite uncertainty in the market, organizations continue to look at global growth, mergers and acquisitions, evolving technology, regulatory change, and risk management. The landscape is also being shaped by trends including an aging workforce with multiple generations and the reality of distributed work in the cloud. Republic Insurance

## REPORT ON CORPORATE GOVERNANCE CODE [CGG]

Company Limited, believes that organizations can do better jobs at getting their human capital to drive business growth by leveraging advanced analytics to develop talent in management and business driven HR strategies to deliver results today and prepare for tomorrow. Republic Insurance Company Limited views its employees as the most valuable capital of the organization with the potential to bring superior results if inspired, led, trained and tasked with the responsibilities in the right way. To achieve the long cherished objectives by following the principle of merit based recruitment, Republic Insurance Company Limited has formulated its HR policy manual for recruitment and Development of Human Resources duly approved by the Board which is being followed up meticulously to ensure right manpower for right position and developing them.

### **Environmental Policy of Republic Insurance Company Limited (RICL)**

Human activities can have harmful effects on ecological system, climate and public health. Recognizing these, RICL fully supports the principles of its commitment for promoting good environmental practice and sustainability of its activities. We have the commitment to provide quality service in a manner that ensures a safe & healthy workplace for our employees protecting the environment, conserving energy and natural resources. With these policies in view, we believe that we can achieve a healthy and safe environment by taking the following measures:

- (a) Integrate the consideration of environmental concerns and impacts into our decision making and activities.
- (b) Develop and improve operations and technologies to minimize waste and other pollution, minimize health and safety risks, and dispose of waste safely and responsibly.
- (c) Minimize energy and water use within our premises and processes in order to conserve supplies and minimize the consumption of natural resources.
- (d) Try as far as possible to identify and purchase preferable products, supplies and services for all our daily operational needs that do the least damage to the environment.
- (e) Comply with all applicable environmental regulations.
- (f) Established procedures to ensure that all employees are knowledgeable in coupling with all applicable environmental laws and regulations. Train all our employees on our environmental program and empower them to contribute and participate.
- (g) Communicate our environmental commitment to our clients, contractors, suppliers and the community.
- (h) Strive to continually improve RICL environmental management system and performance & implement corrective actions.

# **DISCLOSER**

## **of the Nomination and Remuneration policy and the evaluation criteria and activities of Nomination and Remuneration Committee (NRC)**

### **Introduction**

For the Board of Republic Insurance Company Limited to be effective and efficient, it should comprise of individuals who have professional qualifications and proven experience in their respective fields of specialization. The Nomination and Remuneration committee evaluates the Directors and recommends the Board for their appointment and ensures optimum composition of Board. While recommending appointment of an Individual as a Director on the Board, the committee has to review the Diversity of the Board, Qualification and positive attributes, and Independence of Directors (in the case of Independent Directors).

### **Regulatory Framework**

Clause 6 (5) read with the applicable Clauses of Corporate Governance Code of Bangladesh Securities and Exchange Commission require the Nomination and Remuneration Committee of a company ("NRC") to recommend to the Board of Directors a policy, relating to the appointment, removal and remuneration of the directors, top level executives and to devise a policy on Board diversity. The said governance code condition no. 6(5) also require NRC to lay down the evaluation criteria for performance evaluation of Board, its Committees and individual directors. Further, the Board of Directors is responsible for monitoring and reviewing of the Board Evaluation framework. The Board of Directors is also required to satisfy itself that plans are in place for orderly succession for appointments to the Board and to senior management. This nomination policy is framed as per the requirements of the aforesaid governance code.

## **NOMINATION AND REMUNERATION POLICY AND THE EVALUATION CRITERIA AND ITS ACTIVITIES**

### **General Criteria**

- A person to be appointed as Director should possess adequate qualification, expertise and experience for the position he/ she is considered for the appointment by election, selection, appointment, co-option and such other process prescribed by the Companies Act 1994, Insurance Act 2010 and rules under insurance act are effective for the time being, rules and regulations imposed by the regulators from time to time for the purpose of appointment of directors and rules of Memorandum & Articles of Associations of the Company etc.
- Key Managerial Personnel (KMP) or senior management should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position. Further, person to be appointed/re-appointed as director should:
  - (a) be an individual of the highest integrity and have an inquiring mind, a willingness to go into details and the ability to work well with others;
  - (b) be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director;
  - (c) be willing and able to devote sufficient time to the affairs of the Company and be diligent in fulfilling the responsibilities of a director and Board committees' member;
  - (d) have the capacity and desire to represent the best interests of the stakeholders as a whole;
  - (e) not be disqualified under the provisions of the Companies Act, 1994 and applicable rules and regulations.

### **Board of Directors**

#### **Size of the Board of Directors**

The total number of members of a company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty). The total members of the Board as on July 12, 2021 are 11 (eleven) including Independent Director.

## Independent Directors

- (a) At present there are 1 (one) Independent Director of the Board. As per BSEC's Guidelines another 2 (two) Independent Directors will be appoint soon.
- (b) For the purpose of this clause "independent director" means a director
  - (i) ID either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;
  - (ii) ID is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;
  - (iii) ID has not been an executive of the company in immediately preceding 2 (two) financial years;
  - (iv) ID does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;
  - (v) ID is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;
  - (vi) ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;
  - (vii) ID is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;
  - (viii) ID is not independent director in more than 5 (five) listed companies;
  - (ix) ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and
  - (x) ID has not been convicted for a criminal offence involving moral turpitude;
- (c) The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);
- (d) The post of independent director(s) remain vacant for more than 90 (ninety) days; and
- (e) The tenure of office of an independent director shall be for a period of 3 (three) years, which may not be extended for 1 (one) tenure.

## Qualification of Independent Director

- (a) Independent director shall be a knowledgeable individual with integrity and he is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;
- (b) Independent director must have following qualifications:
  - (i) Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or
  - (ii) Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or
  - (iii) Former official of government servant and the position not below 5th Grade of the national pay scale and their educational background of bachelor degree in commerce (iv) ID is not University Teacher; or
  - (iv) Professional of ID was not an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;
- (c) The independent directors has 10 (ten) years of experiences in any field mentioned in clause (b);

## Non-Executive Directors criteria

- 01. As per Insurance Act-2010 section, 76 - (1) Where the insurer is a company incorporated under the Company Act, the maximum number of Directors of that company shall, Notwithstanding anything contained in the memorandum of association or articles of association of the company, not exceed 20 (twenty) and in that case 12 (twelve) shall be sponsor Directors, 6(six) shall be Directors holding public share and 2 (two) shall be independent Directors; (2) The share-holders shall elect Directors in such manner as may be prescribed by rules.

**The following persons are the Directors of the Company as on July 12, 2021:**

| <b>Sl</b> | <b>Name</b>                     | <b>Position of the Board</b> |
|-----------|---------------------------------|------------------------------|
| 01        | Mr. Mohd. Hanif Chowdhury       | Chairman                     |
| 02        | Mr. S.M. Shafiu Hoque           | Vice Chairman                |
| 03        | Mrs. Hasina Gazi                | Director                     |
| 04        | Mr. Sadeque Hossain Chowdhury   | Director                     |
| 05        | Mr. Saber Hossain Chowdhury, MP | Director                     |
| 06        | Mrs. Khurshida Rahman           | Director                     |
| 07        | Mrs. Shahin Haider              | Director                     |
| 08        | Mr. Mahboob Ur Rahman           | Director                     |
| 09        | Mr. Feroz U. Haider             | Director                     |
| 10        | Mrs. Rehana Chowdhury           | Director                     |
| 11        | Mr. Md. Abdur Rouf              | Independent Director         |

02. The Directors shall have power at any time and from time to time, to appoint any other qualified person as a Director, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed. But any Director so appointed shall hold office only until the next following Annual General Meeting of the Company and shall be eligible for re-election at such meeting.
03. The Directors shall, at the request of any Director, who remains away from Bangladesh for a period exceeding three months, nominate a person who is not otherwise disqualified to be a Director, to represent such original Director and such appointment shall have effect from the date of appoint of the Nominated Director, by the original Director and the former shall, while he holds office as Nominated Director, be entitled to notice of meetings of Directors and in the absence of the original Director to attend and vote thereat. The Nominated Director shall ipso facto vacate office if and when the original Director vacates office or the Nominated Director is removed from office at the request of the Original Director, and appointment or removal under this Article of a Nominated Director shall be effected by Directors upon the request in writing to the Board under the hand of the original Director whom the Nominated Director is to represent or represents. Provided that all nomination under this articles shall be made with the prior intimation to the Chief Controller of Insurance.
04. Whenever the directors deem expedient in the interest of the company may appoint an Adviser of the company who shall hold office in accordance with the terms and conditions of his appointment. But the number of adviser shall not be more than three. The Adviser is entitled to attend all Board Meeting without having voting right. Provided that no share holder or director of the Company or member of their families shall be an adviser under this articles.
05. All the Directors other then Independent Director have to be hold minimum 2% Shares individually to be the Director of the Company. And Sponsors/Directors have to be hold minimum 30% Shares of the Paid-up-Capital of the Company.
06. Each Director shall be entitled to a fee of Tk. 8,000/- (eight Thousand) only as per circulars of IDRA for every meeting of the Board attended by him or such other sum as may be from time to time fixed by the company in Annual General Meeting.
07. The Directors may allow and pay to any Director who is not ordinarily a resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting such sum as the Directors may consider fair compensation for traveling and living expenses in addition to his remuneration as above specified and the Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these presents and may pay the same.
08. If any Director being willing is called upon to perform extra services or to make any special exertions in going out or residing at a particular place or otherwise for any of the purposes of the Company, the Company, may remunerate such Director and such remuneration may be either in addition to or in substitution for his remuneration above provided.

The office of the Director shall ipso facto be vacated if:

- he being a Director fails to obtain, within the time specified in sub-section (1) of Section 97 of the Companies Act or at any time thereafter ceases to hold, the share qualifications necessary for his appointment;
- he is found to be of unsound mind by a Court of competent jurisdiction;
- he is adjudged an insolvent;

- (d) he fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made;
  - (e) he or any firm of which he is a partner or any private company of which he is a Director, without the sanction of the Company in General Meeting accept or holds any office of profit under the Company other than of a Managing Director or Manager or a legal or technical adviser or banker;
  - (f) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is the longer, without leave of absence from the Board of Directors;
  - (g) he acts in contravention of section 103 of the companies Act;
  - (h) he acts in contravention of section 105 of the Companies Act'
  - (i) he by notice in writing to the company resigns his office;
  - (j) he fails to possess any of the qualifications for becoming sponsor or director of an insurance company under the Insurance Act, 1938. The Insurance Rules, 1958 and all other related laws.
09. No Director shall be disqualified by his office from contracting with the Company either as Vendor, Purchaser, or otherwise, nor shall any contract or arrangement entered into by a Director with the Company, or any contract or arrangement entered into by or on behalf of the Company in which a Director shall be a member or otherwise interested be avoided, not shall a Director also contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only or such Director holding office as Director of the Company or of the fiduciary relation thereby established, But a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall comply in regard to such contract or proposed contract with the Company requirements as to disclosure of interest contained in section 130 of the Companies Act and shall be subject to the provisions as to voting contained in section 131 of the said Act.
10. A Director of the Company may be or become a Director of any Company promoted by this Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as Director or member such company.

### **Executive Director Criteria**

01. The Directors subject to approval of the Insurance Development and Regulatory Authority (IDRA) under the relevant provision of the Insurance Act, shall from time to time appoint any of their body or any other person with sufficient experience in the field of insurance to be the Managing Director of the Company, for a fixed term for which he is to hold such office (subject to the provision of any contract between him & the Company). The Directors may revoke such appointment & shall appoint another person.
02. If the Managing Director is appointed from other than a Director, he will not have the voting right, but may be entitled to sit and participate in Meeting of the Board as well as in other Committee Meetings.
03. The Managing Director shall not, while he continues to hold that office be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement or in fixing the number of Directors to retire but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately, cease to be a Managing Director if he having been appointed from the body of Directors ceases to hold the office of Director for any cause.
04. The Managing Director shall exercise such powers as may be given to him by the Board of Directors. He will be liable to run and carry out the business of the company in accordance with the provisions of the Insurance Act, 1938. The Insurance Rules, 1958 and any order made there under by the Chief Controller of Insurance.
05. The Managing Director shall be the Chief Executive of the company and subject to the direction, supervision, control and approval of the Board of Directors he shall have the following powers subject to Articles 119 and 120 hereinafter provided:-
- (a) To manage, conduct, transact and carry on the business of Company and whether within Bangladesh or outside Bangladesh.
  - (b) To appoint officers and staff of all ranks and to remove or dismiss them and appoint others in their places and to pay to the person employed as aforesaid such salary or other remuneration as may be deemed proper.
  - (c) To state, adjust and settle all accounts, reckoning, claims and demands whatsoever depending and which may hereafter depend between the Company and any other persons whomsoever and to pay or receive (as the case may be) the balance which shall be due on settlement of such accounts.

- (d) Upon receipt of any moneys which shall be paid to the Managing Director by virtue of the promises, to pay or deposit the same in the name of the Company subject to approval of Directors with any Banker, Broker or other Agent to draw out such moneys from time to time and to vary the Banking arrangements of the Company in and elsewhere where the Company has Banking accounts and to open fresh ones in the interest of the Company and to instruct the Bankers for the Company as to the manner in which cheques and other negotiable instruments are to be signed and also nominate and to vary from time to time the names of those officials of the Company authorized to sign and countersign such documents and to apply the said moneys for the use and benefit of the Company to invest the same or any part thereof upon such securities expressly including stocks, funds or securities of the Government of the Peoples Republic of Bangladesh and elsewhere at such interest and in such manner and upon such terms and conditions as may be most beneficial for the Company and from time to time to vary such securities and investment for like purpose.
- (e) To draw, make, accept, issue, sign, endorse, or otherwise realize or negotiate payment and discharge any Bill of Exchange, Bill of Lading, Letter of Credit, Circular Note, Policy of insurance, Cheque, Draft or order for payment of any money and to execute sign, enter into acknowledge, protect and do all such contracts, agreements discharges, receipts, endorsement, transfers negotiations or other dealings.
- (f) To demand, sue or enforce payment or receive and to give effectual receipts and discharges for all moneys debts, securities for money interest and bonuses either in the name of the Company or in the names of the Managing Director subject to approval of the Board which receipts and discharges shall exonerate the person or persons paying such moneys from seeing to the application thereof or being responsible for the loss or misapplication thereof and to take possession of goods, chattels and property or estate movable and immovable of every kin and or description whatsoever of or to which the company is now or may hereafter become possessed or entitled or which and or may become deliverable or transferable to the company from any person or persons whomsoever and on any account whatsoever.
- (g) To enter into contracts for all classes of insurance and re-insurances and to sign and issue policies, cover notes and other documents and to settle all claims in relation to such insurance upon such terms and conditions as may be deemed necessary or proper.
- (h) To adjust compromise or submit to arbitration any accounts debts, claims, demands, disputes and matters touching any matters which are now subsisting or may hereinafter arise between the company and any other person or persons of between the said attorney or any other person or persons.
- (i) To commence, prosecute or enforce and to defend, pose any suits or other legal proceedings whether civil or criminal in any court or Tribunal wheresoever or before any Government touching matters in which the Company is now may hereafter be interested or concerned and also if the said attorney shall so think fit to compromise, refer to arbitration, abandon, submit to judgment or become nonsuit in any such action or proceeding aforesaid.
- (j) To appoint and retain solicitors, Advocates, Vakils, pleaders, Mooktiars, accountants, tax advisers and to revoke such appointments and retainers from time to time as occasion shall require.
- (k) To make, sign, execute, present and file all applications, petitions, complaints, written statements, powers of attorney, Vakalatnamas, Mookhtiar namas or any other documents expedient or necessary to be made signed, executed, presented or filed in relation to any of the purposes aforesaid.
- (l) To pay and allow all fees, costs and expenses necessary to be paid or allowed.
- (m) To receive out of Court or from, any person or persons whomsoever liable to pay the same, all costs, fees or other moneys-whatsoever payable by or payable to the company in connection with such accounts reckonings and demands and all suits or other proceedings adopted or taken in connection therewith and receipts and discharges to grant in respect of the same.
- (n) To give donations and subscriptions to or for any religious, charitable, benevolent and social institutions or cultural institutions or organizations or objects.

### **Specific Criteria**

In addition to the aforesaid, the Nomination & Remuneration Committee may, if it deems it advisable from time to time, develop specific criteria outlining the qualification, skills, experience, expertise, backgrounds, and other characteristics that should be represented on the

Board to enhance its effectiveness. Any such criteria should take into account the particular needs of the Company based on its business, size, ownership, growth objectives, community, customers and other characteristics and should be adjusted as these Company characteristics evolve.

### **Remuneration Policy for Directors**

The remuneration policy of the Company reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders and guided by a common reward framework and set of principles and objectives as more fully and particularly envisaged under corporate governance code 2018, inter-alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc. Remuneration policy of Republic Insurance Company Ltd. will be based on general criteria of:-

- (a) Levels of remuneration should be sufficient to attract, retain, and motivate the person constitution the Executives needed successfully to run the Company and its subsidiaries but not paying more than is necessary for this purpose.
- (b) The component parts of the remuneration packages and the benefit schemes for the executive should be designed to encourage the executive to meet the objectives of the Company and the group.
- (c) There should be established a formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration package of the individuals within the executives.
- (d) The Company's annual report should contain an annual remuneration report containing all information required to be disclosed under legislation, good corporate governance practices including details of the remuneration of each director of the Company.
- (e) Senior remuneration administration should operate on a best practice basis.
- (f) The Executives should be fairly rewarded for individual contributions to the overall performance of the Company.

### **Independent Directors' Remuneration**

Independent Directors are the Non-Executive Directors of the Company. Independent directors of the Board shall be entitled for sitting fees for attending the meetings of the Board or committees thereof. The sitting fee will be as fixed by the Insurance Development and Regulatory Authority (IDRA). Independent directors shall not be entitled to any fixed or monthly salary or other remuneration or office of the profit.

### **Non-Executive Directors' Remuneration**

Non-executive directors of the board shall be entitled for sitting fees for attending the meetings of the Board or committees thereof. The sitting fee will be as fixed by the Insurance Development and Regulatory Authority (IDRA). Non-Executive directors shall not be entitled to any fixed or monthly salary or other remuneration or office of the profit.

### **Executive Directors' Remuneration**

The remuneration of the Executive Directors i.e Managing Director & CEO shall (subject to the provisions of any contract between him and the Company) from time to time be fixed by the Directors and may be by way of fixed salary or allowance or commission or dividends or profits of the Company or of any other Company in which the Company has equity and management interest or by any or all of these modes.

CEO however appointed and play the role of the Managing Director & CEO here is called as Executive Director of the Company, the NRC shall follow the regulation of IDRA enacted for the appointment and removal of the CEOs' of insurance companies. The CEO, if designated as the Managing Director of the Company shall follow the rules regarding companies Act 1994 and be ratified by the shareholder in the general meeting within stipulated time mentioned in the companies Act 1994.

### **Remuneration Policy for the Key Managerial Personnel, Senior Management Personnel and Executive/ other employees**

The Key Management Personnel (KMP), Senior Management Personnel (SMP) and Executive/other employees (more fully defined in the interpretation clause) of the Company shall be paid monthly remuneration as per the Company's HR policies and/ or as may be approved by the Committee (NRC).

In determining the remuneration to Key Managerial Personnel, Senior Management Personnel and Executive/other employees the following shall be considered:

- (a) the relationship of remuneration and performance benchmark is clear;
- (b) the balance between fixed and increment pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- (c) the Company shall follow a compensation mix of fixed component and variable component. Fixed Component comprises salaries, perquisites and retirement benefits and a variable component comprises performance bonus and may include;
- (d) gratuity contributions, made in accordance with applicable laws and employment agreements;
- (e) Severance payments in accordance with termination clauses in employment agreements. Severance payments shall comply with local legal framework. The remuneration including annual increment and promotion is decided based on the criticality of the roles and responsibilities, the Company's performance and the annual budget achievement, individual's performance, industry benchmark and current compensation trends in the market. The Benchmark information is obtained from nationally recognized compensation service consultancies, insurance business regulators and other stakeholders, whenever required;
- (f) levels of remuneration should be sufficient to attract retain and motivate the persons constitution the executive needed successfully to run the Company and its subsidiaries but not paying more than is necessary for this purpose;
- (g) the component parts of the remuneration packages and the benefit schemes for the executive should be designed to encourage the executive to meet the objectives of the Company;
- (h) there should be established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of the individuals within the executives;
- (i) the Company's annual report should contain an annual remuneration report containing all information required to be disclosed under legislation good corporate governance practices including details of the remuneration of each director of the Company;
- (j) the executive should be fairly rewarded for their individual contributions to the overall performance of the Company; and
- (k) the interest of the Company's shareholders and to the financial and commercial health and capability of the Company being taken into account in incentive packages.

### **Employee selection process**

- (a) It is used to eliminate those candidates who do not meet the minimum eligibility criteria laid down by the organization. The skills, academic and family background, competencies and interests of the candidate are examined during preliminary interview.
- (b) The candidates who clear the preliminary interview are required to fill application blank. It contains data record of the candidates such as details about age, qualifications, reason for leaving previous job, experience, etc.
- (c) Various written tests conducted during selection procedure are aptitude test, intelligence test, reasoning test, personality test, etc. These tests are used to objectively assess the potential candidate. They should not be biased.
- (d) It is a one to one interaction between the interviewer and the potential candidate. It is used to find whether the candidate is best suited for the required job or not. But such interviews consume time and money both. Moreover the competencies of the candidate cannot be judged. Such interviews may be biased at times. Such interviews should be conducted properly. No distractions should be there in room. There should be an honest communication between candidate and interviewer.
- (e) A reference check is made about the candidate selected and then finally he is appointed by giving a formal appointment letter.

### **Director Selection Process**

The Nomination and Remuneration Committee (NRC) will select nominees for directors pursuant to the following process:

- (a) the identification of director candidates by the NRC based upon suggestions from current directors and senior management, recommendations by shareholders and possibly a director search firm;
- (b) a review of the candidates' qualifications by the NRC to determine which candidates best meet the Board's required and desired criteria;
- (c) interviews of interested candidates among those who best meet these criteria by the Chairperson of the NRC and one other Committee member, and by the Chief Executive Officer;
- (d) a report to the Board by the NRC on the selection process & recommendation of nominees to the Board;
- (e) formal nomination by the Board for inclusion in the slate of directors for the annual meeting of shareholders or appointment by the Board to fill a vacancy during the intervals between shareholder meetings;

- (f) As per recommended and report by NRC the Board of Directors select the candidate for appointing director and also recommended to submit the AGM for final approval from Shareholders; and
- (g) after completion to appoint director the company collect certificate (Form-12) from RJSC.

### **Director Selection Criteria**

The Company's directors must demonstrate high standards of ethics, integrity and professionalism, independence, sound judgment, community leadership and meaningful experience in business, law or finance or other appropriate endeavor. Shareholding position of the directors must be as per IDRA Rules. The Company's directors must be committed to representing the long-term interests of the Company's shareholders. In evaluating candidates for nomination as a director, the NRC will consider the minimum qualifications set forth above in addition to other factors it deems appropriate based on the current needs and desires of the Board, including specific business and financial expertise currently desired on the Board, experience as a director of a public company, geography, age, gender and ethnic diversity. The NRC will reassess the qualifications of a director, including the director's past contributions to the Board and the director's attendance and contributions at Board and Committee meetings, prior to recommending a director for reelection to another term.

### **HR Practice and Evaluating Employees of RICL**

At RICL, we recognize that our employees are the key to our success and nothing can be achieved without their engagement. Our Human Resources Policy encompasses the guidelines which constitute a solid basis for effective Human Resources Management throughout the organization. It explains to all RICL employees the vision and mission of the Human Resources function and illustrates every aspect of our employees' lifecycle. The RICL Management inspires all the employees in their actions and in their dealings with others.

- (a) We believe, keeping employees motivated and engaged is not only about remuneration and benefits, it is also about the trust that our name brings to those who work in RICL, the relationships with our line managers and fellow workers, recognition and experiences enjoyed, and possibilities to learn and grow. These are as a whole, the Total Rewards our employees receive without any regard to age, sex, race, political belief and religion;
- (b) Republic Insurance, therefore, focuses on fixed pay, variable pay, benefits, personal growth and work life balance as the key elements that define Total Rewards;
- (c) At RICL we try to create a climate of trust, mutual respect and support within the company which encourage the employees to work well together as a team and at the same time, to encourage them to be innovative and creative in order to achieve company goals;
- (d) To maintain a congenial working environment which allows employees to work with maximum effectiveness and to ensure that safety rules and hygiene are strictly observed;
- (e) Provide information to employees regularly about different aspects of the operation and its progress which are relevant to them and involve them in matters which are of concern to their job and work situation;
- (f) To develop an effective internal communication and involvement mechanism which encourage employees to identify themselves with the company and its activities;
- (g) To adopt and institute a planned and systematic approach to anticipated changes and develop plans for preparing employees for technological and environmental changes;
- (h) To identify employees' training and development needs and provide them with necessary development opportunities for them to advance in their career;
- (i) To ensure that employment opportunities conform to the established and acceptable practices of the country;
- (j) To ensure that there are proper manpower planning and forecasting system in place to ensure that there will be enough people with the right skills and talents to meet company's current and future growths and needs;
- (k) To ensure that there are transparent processes in place for selection, promotion, appraisal and performance management, reward & recognition systems;
- (l) To put in place succession plans for all senior management positions in the company; and
- (m) To ensure that people with high capabilities proven by track record reach key management position regardless of their sex, religion, caste, creed and more importantly age and seniority.

# INDEPENDENT

## AUDITORS' REPORT

To the Shareholders of  
Republic Insurance Company Limited



Business activity of company

# REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

## Opinion

We have audited the financial statements of Republic Insurance Company Limited (the Company), which comprise the Statement of Financial Position as at December 31, 2020, Profit and Loss Appropriation Account, Statement of Profit or Loss and Other Comprehensive Income, Consolidated Revenue Account, Fire Insurance Revenue Account, Marine Cargo Insurance Revenue Account, Marine Hull Insurance Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Statement of Changes in Shareholders Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 34 & Annexure-A to E.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter

We draw attention to the fact disclosed in note-3.03

## Our Key Audit Matters

| Risk  | Our response to the risk   |
|---|--|
| <b>Premium Income</b>   |  |
| <p>Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.</p> | <p>With respect to premium income in respect of various types of insurance we carried out the following procedures:</p> <ul style="list-style-type: none"> <li>➤ The design and operating effectiveness of key controls around premium income recognition process.</li> <li>➤ Carried out analytical procedures and recalculated premium income for the period.</li> <li>➤ Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.</li> <li>➤ On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.</li> <li>➤ Ensured on a sample basis that the premium income was being deposited in the designated bank account.</li> <li>➤ Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.</li> </ul> |

|   |   |
|---|---|
|   | <ul style="list-style-type: none"> <li>➤ For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that reinsurance premium was deducted from the gross premium.</li> <li>➤ Applying specialist judgment ensured if there is any impairment of the reinsurer.</li> <li>➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul> |
| See note no 26.00 to the financial statements |   |

| <b>Estimated liability in respect of outstanding claims whether due or intimated and claim payment</b>   |   |
|--|---|
| <p>This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the Company.</p> | <p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item:</p> <ul style="list-style-type: none"> <li>➤ Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis.</li> <li>➤ Obtained a sample of claimed policy copy and cross check it with claim.</li> <li>➤ Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</li> <li>➤ Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.</li> <li>➤ Reviewed the claim committee meeting minutes about decision about impending claims.</li> <li>➤ Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.</li> <li>➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul> |
| See note no 7.00 to the financial statements   |   |

### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- (c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- (d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the Company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the Company;
- (e) We report that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;
- (f) The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- (g) The expenditure was incurred for the purpose of the Company's business.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature : 

Auditors' Name : Mohammad Mofizul Haque Rinku, FCA, Partner/Enr No.: 1204

Date : May 25, 2021

Place : Dhaka

DVC : 2106031204AS874694



Republic Insurance Company Limited

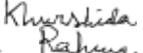
রিপাবলিক ইন্স্যুরেন্স কোম্পানী লিমিটেড

Statement of Financial Position

As at December 31, 2020

| Particulars   | Notes        | Amount in Taka       |                      |
|---|--------------|----------------------|----------------------|
|   |              | December 31, 2020    | December 31, 2019    |
| <b>Shareholders equity and liabilities</b>                                    |              |                      |                      |
| <b>Share capital</b>  |              |                      |                      |
| Authorized share capital  |              |                      |                      |
| 10,000,000 ordinary shares of Tk.10 each                                      | 3.01         | 1,000,000,000        | 1,000,000,000        |
| <b>Issued, subscribed and paid up capital</b>                                 | 3.04         | <b>463,722,280</b>   | <b>433,385,310</b>   |
| 46,372,228 ordinary shares of Tk.10 each                                      |              |                      |                      |
| Reserve and contingent account  | 4.00         | <b>286,646,023</b>   | <b>237,856,108</b>   |
| Reserve for exceptional losses  | 4.01         | 202,200,769          | 166,753,498          |
| General reserve   | 4.02         | 9,750,000            | 9,000,000            |
| Retained earnings   | 4.03         | 74,695,254           | 62,102,610           |
| <b>Total shareholders' equity</b>   |              | <b>750,368,303</b>   | <b>671,241,418</b>   |
| <b>Balance of funds and accounts</b>  | 5.00         | <b>211,444,231</b>   | <b>177,407,059</b>   |
| Fire insurance revenue account  |              | 74,628,274           | 59,730,574           |
| Marine cargo insurance revenue account  |              | 86,824,927           | 57,650,750           |
| Marine hull insurance revenue account   |              | 14,813,996           | 15,963,070           |
| Motor insurance revenue account   |              | 16,469,228           | 24,296,735           |
| Misc. insurance revenue account   |              | 18,707,806           | 19,765,930           |
| <b>Premium deposits</b>   | 6.00         | <b>18,915,055</b>    | <b>18,864,532</b>    |
| <b>Liabilities and provisions</b>   |              | <b>386,729,208</b>   | <b>327,548,968</b>   |
| Estimated liability in respect of outstanding claims whether due or intimated | 7.00         | 52,082,235           | 40,551,906           |
| Amount due to other persons or bodies carrying on insurance business          | 8.00         | 38,468,308           | 41,462,948           |
| Lease liabilities (operating leases)  | 9.00         | 9,470,896            | 13,408,200           |
| Payable for WPPF  | 10.00        | 31,773,576           | 24,068,342           |
| Provision for taxation  | 11.00        | 215,031,507          | 169,912,550          |
| Sundry creditors  | 12.00        | 39,902,686           | 38,145,022           |
| <b>Total liabilities</b>  |              | <b>617,088,494</b>   | <b>523,820,559</b>   |
| <b>Total shareholder's equity and liabilities</b>                             |              | <b>1,367,456,797</b> | <b>1,195,061,977</b> |
| <b>Net Assets Value Per share (NAV)</b>                                       | <b>32.00</b> | <b>16.18</b>         | <b>15.49</b>         |

The accompanying notes 1 to 34 & Annexure-A to E form an integral part of the financial statements.

 **Vice Chairman**    
  **Director**    
  **Chief Executive Officer**    
  **Company Secretary**    
  **Chief Financial Officer**

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature : 

Auditors' Name : Mohammad Mofizul Haque Rinku, FCA, Partner/Enr No.: 1204

Date : May 25, 2021

Place : Dhaka

DVC : 2106031204AS874694

**Republic Insurance Company Limited**

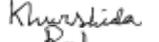
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

**Statement of Financial Position**

As at December 31, 2020

| Particulars   | Notes      | Amount in Taka       |                      |
|---|------------|----------------------|----------------------|
|   |            | December 31, 2020    | December 31, 2019    |
| <b>Property and assets</b>  |            |                      |                      |
| <b>Non-current assets</b>   |            | <b>145,366,802</b>   | <b>116,551,523</b>   |
| Property, plant and equipment   | 13.00      | 55,840,546           | 57,740,230           |
| Intangible assets   | 13.01      | 1,443,862            | 1,292,737            |
| Right-of-use assets   | 13.02      | 10,136,204           | 14,902,593           |
| Lease car   | Annexure-A | 1,200,520            | 1,333,911            |
| Investment in government treasury bond and securities                 | 14.00      | 57,300,000           | 25,000,000           |
| Deferred tax  | 25.00      | 4,262,393            | 3,784,266            |
| Investment in shares at market value                                  | 15.00      | 15,183,277           | 12,497,786           |
| <b>Current assets</b>   |            | <b>1,109,604,330</b> | <b>1,014,472,421</b> |
| Stock of printing & stationery and stamp in hand                      | 16.00      | 3,289,163            | 3,231,714            |
| Amount due from other person or bodies carrying on insurance business | 17.00      | 244,490,895          | 233,511,950          |
| Interest accrued  | 18.00      | 17,802,200           | 17,256,868           |
| Sundry debtors (including advances, deposits and pre-payments)        | 19.00      | 389,301,948          | 323,861,778          |
| Fixed deposit with banks  | 20.00      | 454,720,124          | 436,610,111          |
| <b>Cash and cash equivalents</b>                                      | 21.00      | <b>112,485,665</b>   | <b>64,038,033</b>    |
| Cash at bank  |            | 109,703,176          | 62,078,212           |
| Cash in hand  |            | 2,782,489            | 1,959,821            |
| <b>Total assets</b>   |            | <b>1,367,456,797</b> | <b>1,195,061,977</b> |

The accompanying notes 1 to 34 & Annexure-A to E form an integral part of the financial statements.

 **Vice Chairman**    
  **Director**    
  **Chief Executive Officer**    
  **Company Secretary**    
  **Chief Financial Officer**

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature : 

Auditors' Name : Mohammad Mofizul Haque Rinku, FCA, Partner/Enr No.: 1204

Date : May 25, 2021

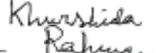
Place : Dhaka

DVC : 2106031204AS874694

**Profit and Loss Appropriation Account**  
 For the year ended on December 31, 2020

| Particulars  | Notes        | Amount in Taka                           |  |
|--|--------------|--|--|
|  |              | January 01, 2020 to<br>December 31, 2020 | January 01, 2019 to<br>December 31, 2019 |
| Balance brought forward from previous year                       |              | 62,102,610                               | 40,811,745                               |
| Profit after tax   |              | 109,463,857                              | 87,453,053                               |
| <b>Total profit after tax</b>                                    |              | <b>171,566,467</b>                       | <b>128,264,798</b>                       |
| <b>Appropriation:</b>  |              |  |  |
| Reserve for exceptional losses                                   | 4.01(a)      | 35,447,271                               | 26,013,528                               |
| General reserve  | 4.02         | 750,000                                  | 750,000                                  |
| Issuance of bonus share for the year 2019                        |              | 30,336,970                               | 39,398,660                               |
| Cash dividend paid for the year 2019                             |              | 30,336,972                               | -  |
| Retained earnings transferred to Statement of Financial Position |              | 74,695,254                               | 62,102,610                               |
| <b>Total</b>   |              | <b>171,566,467</b>                       | <b>128,264,798</b>                       |
| <b>Earnings per share (Restated for 2019)</b>                    | <b>31.00</b> | <b>2.36</b>                              | <b>1.89</b>                              |

The accompanying notes 1 to 34 & Annexure-A to E form an integral part of the financial statements.

 **Vice Chairman**     
  **Director**     
  **Chief Executive Officer**     
  **Company Secretary**     
  **Chief Financial Officer**

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature : 

Auditors' Name : Mohammad Mofizul Haque Rinku, FCA, Partner/Enr No.: 1204

Date : May 25, 2021

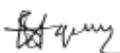
Place : Dhaka

DVC : 2106031204AS874694

**Statement of Profit or Loss and Other Comprehensive Income**  
 For the year ended on December 31, 2020

| Particulars   | Notes                  | Amount in Taka                        |                                       |
|---|------------------------|---------------------------------------|---------------------------------------|
|   |                        | January 01, 2020 to December 31, 2020 | January 01, 2019 to December 31, 2019 |
| <b>Operating profit / ( loss) transferred from</b>  |                        | <b>142,384,097</b>                    | <b>128,097,327</b>                    |
| Fire insurance revenue account  |                        | 43,153,481                            | 31,308,408                            |
| Marine cargo insurance revenue account  |                        | 87,168,904                            | 63,998,249                            |
| Marine hull insurance revenue account   |                        | (35,231,335)                          | 4,296,112                             |
| Motor insurance revenue account   |                        | 22,617,905                            | 19,183,966                            |
| Misc. insurance revenue account   |                        | 24,675,142                            | 9,310,592                             |
| <b>Non-operating income</b>   |                        | <b>44,937,234</b>                     | <b>31,464,309</b>                     |
| Interest income   | 22.00                  | 39,254,373                            | 32,729,072                            |
| Share investment and dividend income  | 23.00                  | 3,395,491                             | (3,653,336)                           |
| Other income  | 24.00                  | 2,287,370                             | 2,388,573                             |
| <b>Total Income</b>   |                        | <b>187,321,331</b>                    | <b>159,561,636</b>                    |
| <b>Less: Expenses of management</b><br>(not applicable to any particular fund or account) |                        |                                       |                                       |
|   |                        | <b>25,511,410</b>                     | <b>30,143,754</b>                     |
| Advertisement   |                        | 7,373,455                             | 9,131,448                             |
| Audit fees  |                        | 467,250                               | 449,500                               |
| Directors fees  |                        | 556,800                               | 1,014,400                             |
| Donation and subscriptions  |                        | 755,000                               | 172,550                               |
| Fees and charges  |                        | 3,283,919                             | 7,247,780                             |
| Renewal and registration fees   |                        | 1,037,070                             | 880,842                               |
| AGM expenses  |                        | 435,000                               | 233,436                               |
| Provision for gratuity expenses   |                        | 2,433,456                             | 1,800,000                             |
| Depreciation  | 12.00(b)<br>Annexure-A | 9,169,460                             | 9,213,798                             |
| <b>Net Profit before tax &amp; WPPF</b>   |                        | <b>161,809,921</b>                    | <b>129,417,882</b>                    |
| Expenses for WPPF   |                        | (7,705,234)                           | (6,162,756)                           |
| <b>Profit before tax</b>  |                        | <b>154,104,687</b>                    | <b>123,255,126</b>                    |
| <b>Income tax expenses:</b>   |                        |                                       |                                       |
| Provision for income tax  | 11.00                  | (45,118,957)                          | (35,736,190)                          |
| Deferred tax (expenses) / income  | 25.00                  | 478,127                               | (65,883)                              |
| <b>Profit after tax</b>   |                        | <b>109,463,857</b>                    | <b>87,453,053</b>                     |
| Other comprehensive income  |                        | -                                     | -                                     |
| <b>Total comprehensive income</b>   |                        | <b>109,463,857</b>                    | <b>87,453,053</b>                     |
| <b>Earnings per share (Restated for 2019)</b>   | <b>31.00</b>           | <b>2.36</b>                           | <b>1.89</b>                           |
| <b>Weighted average number of outstanding shares</b>                                      |                        | <b>46,372,228</b>                     | <b>46,372,228</b>                     |

The accompanying notes 1 to 34 & Annexure-A to E form an integral part of the financial statements.

 **Vice Chairman**    
  **Director**    
  **Chief Executive Officer**    
  **Company Secretary**    
  **Chief Financial Officer**

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

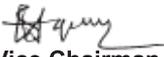
Signature :   
 Auditors' Name : Mohammad Mofizul Haque Rinku, FCA, Partner/Enr No.: 1204  
 Date : May 25, 2021  
 Place : Dhaka  
 DVC : 2106031204AS874694



**Republic Insurance Company Limited**  
 বিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

**Consolidated Revenue Account**  
 For the year ended on December 31, 2020

| Particulars   | Notes | Amount in Taka                        |                                       |
|---|-------|---------------------------------------|---------------------------------------|
|   |       | January 01, 2020 to December 31, 2020 | January 01, 2019 to December 31, 2019 |
| <b>Claims under policies less re-insurance</b>  |       | 55,657,460                            | 47,741,084                            |
| Claims paid during the year   |       | 44,127,131                            | 41,312,635                            |
| Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated |       | 52,082,235                            | 40,551,906                            |
| Less: Outstanding claims at the end of the previous year  |       | 40,551,906                            | 34,123,457                            |
| Insurance stamps consumed   |       | 667,623                               | 802,549                               |
| Agency commission   |       | 112,978,326                           | 90,057,645                            |
| Expenses of management  | 29.00 | 221,617,303                           | 191,459,395                           |
| Profit transferred to Statement of Profit or Loss and Other Comprehensive Income                                |       | 142,384,097                           | 128,097,327                           |
| Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks  |       | 211,444,231                           | 177,407,059                           |
| <b>Total</b>  |       | <b>744,749,040</b>                    | <b>635,565,059</b>                    |

  
**Vice Chairman**

  
**Director**

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature :

Auditors' Name : Mohammad Mofizul Haque Rinku, FCA, Partner/Enr No.: 1204

Date : May 25, 2021

Place : Dhaka

DVC : 2106031204AS874694



**Republic Insurance Company Limited**

রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

**Consolidated Revenue Account**

For the year ended on December 31, 2020

| Particulars  | Notes | Amount in Taka                           |  |
|--|-------|--|--|
|  |       | January 01, 2020 to<br>December 31, 2020 | January 01, 2019 to<br>December 31, 2019 |
| Balance of fund account at the beginning of the year |       | 177,407,059                              | 148,730,136                              |
| Premium less re-insurance                            | 26.00 | 506,389,584                              | 419,573,041                              |
| Commission on re-insurance ceded                     | 27.00 | 60,952,397                               | 62,629,006                               |
| Profit commission                                    | 28.00 | -  | 4,632,876                                |
| <b>Total</b>   |       | <b>744,749,040</b>                       | <b>635,565,059</b>                       |

  
Chief Executive Officer

  
Company Secretary

  
Chief Financial Officer

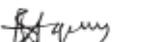


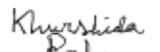
**Republic Insurance Company Limited**

রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

**Fire Insurance Revenue Account**  
For the year ended on December 31, 2020

| Particulars   | Notes | Amount in Taka                        |                                       |
|---|-------|---------------------------------------|---------------------------------------|
|   |       | January 01, 2020 to December 31, 2020 | January 01, 2019 to December 31, 2019 |
| <b>Claims under policies less re-insurance</b>  |       | 12,575,584                            | 24,881,027                            |
| Claims paid during the year   |       | 30,333,829                            | 18,274,733                            |
| Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated                                   |       | 15,675,610                            | 33,433,855                            |
| Less: Outstanding claims at the end of the previous year  |       | 33,433,855                            | 26,827,561                            |
| Insurance stamps consumed   |       | 379,427                               | 433,254                               |
| Agency commission   |       | 57,337,588                            | 46,288,583                            |
| Expenses of management  | 29.00 | 104,714,176                           | 90,387,980                            |
| Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income   |       | 43,153,481                            | 31,308,408                            |
| Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @40% of premium income of the year |       | 74,628,274                            | 59,730,574                            |
| <b>Total</b>  |       | <b>292,788,530</b>                    | <b>253,029,826</b>                    |

  
**Vice Chairman**

  
**Director**

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature :

Auditors' Name : Mohammad Mofizul Haque Rinku, FCA, Partner/Enr No.: 1204

Date : May 25, 2021

Place : Dhaka

DVC : 2106031204AS874694



**Republic Insurance Company Limited**  
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

**Fire Insurance Revenue Account**  
For the year ended on December 31, 2020

| Particulars  | Notes | Amount in Taka                           |  |
|--|-------|--|--|
|  |       | January 01, 2020 to<br>December 31, 2020 | January 01, 2019 to<br>December 31, 2019 |
| Balance of fund account at the beginning of the year |       | 59,730,574                               | 54,661,271                               |
| Premium less re-insurance                            | 26.00 | 186,570,686                              | 149,326,435                              |
| Commission on re-insurance ceded                     | 27.00 | 46,487,270                               | 46,528,542                               |
| Profit commission                                    | 28.00 | -  | 2,513,578                                |
| <b>Total</b>   |       | <b>292,788,530</b>                       | <b>253,029,826</b>                       |

  
Chief Executive Officer

  
Company Secretary

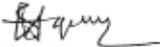
  
Chief Financial Officer



**Republic Insurance Company Limited**  
 প্রি়াবলিক ইনসুরেন্স কোম্পানী লিমিটেড

**Marine Cargo Insurance Revenue Account**  
 For the year ended on December 31, 2020

| Particulars   | Notes | Amount in Taka                        |                                       |
|---|-------|---------------------------------------|---------------------------------------|
|   |       | January 01, 2020 to December 31, 2020 | January 01, 2019 to December 31, 2019 |
| <b>Claims under policies less re-insurance</b>  |       | 1,149,103                             | 9,781,602                             |
| Claims paid during the year   |       | 4,257,762                             | 10,953,213                            |
| Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated                                   |       | -                                     | 3,108,659                             |
| Less: Outstanding claims at the end of the previous year  |       | 3,108,659                             | 4,280,270                             |
| Agency commission   |       | 36,855,468                            | 23,953,744                            |
| Expenses of management  | 29.00 | 72,092,109                            | 51,062,220                            |
| Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income   |       | 87,168,904                            | 63,998,249                            |
| Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @40% of premium income of the year |       | 86,824,927                            | 57,650,750                            |
| <b>Total</b>  |       | <b>284,090,511</b>                    | <b>206,446,565</b>                    |

  
**Vice Chairman**

  
**Director**

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature :

Auditors' Name : Mohammad Mofizul Haque Rinku, FCA, Partner/Enr No.: 1204

Date : May 25, 2021

Place : Dhaka

DVC : 2106031204AS874694



**Republic Insurance Company Limited**  
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

**Marine Cargo Insurance Revenue Account**  
For the year ended on December 31, 2020

| Particulars  | Notes | Amount in Taka                           |  |
|--|-------|--|--|
|  |       | January 01, 2020 to<br>December 31, 2020 | January 01, 2019 to<br>December 31, 2019 |
| Balance of fund account at the beginning of the year |       | 57,650,750                               | 50,706,920                               |
| Premium less re-insurance                            | 26.00 | 217,062,318                              | 144,126,874                              |
| Commission on re-insurance ceded                     | 27.00 | 9,377,443                                | 9,493,473                                |
| Profit commission                                    | 28.00 | -  | 2,119,298                                |
| <b>Total</b>   |       | <b>284,090,511</b>                       | <b>206,446,565</b>                       |

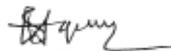
Chief Executive Officer

Company Secretary

Chief Financial Officer

**Marine Hull Insurance Revenue Account**  
 For the year ended on December 31, 2020

| Particulars  | Notes | Amount in Taka                        |                                       |
|--|-------|---------------------------------------|---------------------------------------|
|  |       | January 01, 2020 to December 31, 2020 | January 01, 2019 to December 31, 2019 |
| <b>Claims under policies less re-insurance</b>   |       | 35,445,300                            | (6)                                   |
| Claims paid during the year  |       | -                                     | (6)                                   |
| Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated                                    |       | 35,445,300                            | -                                     |
| Less: Outstanding claims at the end of the previous year   |       | -                                     | -                                     |
| Agency commission  |       | 5,345,041                             | 2,222,551                             |
| Expenses of management   | 29.00 | 11,856,526                            | 4,920,507                             |
| Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income  |       | (35,231,335)                          | 4,296,112                             |
| Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @100% of premium income of the year |       | 14,813,996                            | 15,963,070                            |
| <b>Total</b>   |       | <b>32,229,528</b>                     | <b>27,402,234</b>                     |

  
**Vice Chairman**

  
**Director**

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature :

Auditors' Name : Mohammad Mofizul Haque Rinku, FCA, Partner/Enr No.: 1204

Date : May 25, 2021

Place : Dhaka

DVC : 2106031204AS874694



**Republic Insurance Company Limited**  
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

**Marine Hull Insurance Revenue Account**  
For the year ended on December 31, 2020

| Particulars  | Notes | Amount in Taka                           |  |
|--|-------|--|--|
|  |       | January 01, 2020 to<br>December 31, 2020 | January 01, 2019 to<br>December 31, 2019 |
| Balance of fund account at the beginning of the year |       | 15,963,070                               | 11,220,086                               |
| Premium less re-insurance                            | 26.00 | 14,813,996                               | 15,963,070                               |
| Commission on re-insurance ceded                     | 27.00 | 1,452,462                                | 219,078                                  |
| <b>Total</b>   |       | <b>32,229,528</b>                        | <b>27,402,234</b>                        |

Chief Executive Officer

Company Secretary

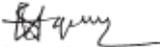
Chief Financial Officer



**Republic Insurance Company Limited**  
 রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

**Motor Insurance Revenue Account**  
 For the year ended on December 31, 2020

| Particulars   | Notes | Amount in Taka                        |                                       |
|---|-------|---------------------------------------|---------------------------------------|
|   |       | January 01, 2020 to December 31, 2020 | January 01, 2019 to December 31, 2019 |
| <b>Claims under policies less re-insurance</b>  |       | 7,006,508                             | 11,850,000                            |
| Claims paid during the year   |       | 8,917,280                             | 11,993,529                            |
| Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated                                   |       | 961,325                               | 2,872,097                             |
| Less: Outstanding claims at the end of the previous year  |       | 2,872,097                             | 3,015,626                             |
| Insurance stamps consumed   |       | 259,975                               | 345,103                               |
| Agency commission   |       | 7,234,074                             | 8,830,263                             |
| Expenses of management  | 29.00 | 13,252,714                            | 17,556,827                            |
| Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income   |       | 22,617,905                            | 19,183,966                            |
| Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @40% of premium income of the year |       | 16,469,228                            | 24,296,735                            |
| <b>Total</b>  |       | <b>66,840,404</b>                     | <b>82,062,894</b>                     |

  
**Vice Chairman**

  
**Director**

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature :

Auditors' Name : Mohammad Mofizul Haque Rinku, FCA, Partner/Enr No.: 1204

Date : May 25, 2021

Place : Dhaka

DVC : 2106031204AS874694



**Republic Insurance Company Limited**  
রিপাবলিক ইন্স্যুরেন্স কোম্পানী লিমিটেড

**Motor Insurance Revenue Account**  
For the year ended on December 31, 2020

| Particulars  | Notes | Amount in Taka                           |  |
|--|-------|--|--|
|  |       | January 01, 2020 to<br>December 31, 2020 | January 01, 2019 to<br>December 31, 2019 |
| Balance of fund account at the beginning of the year |       | 24,296,735                               | 21,176,468                               |
| Premium less re-insurance                            | 26.00 | 41,173,070                               | 60,741,838                               |
| Commission on re-insurance ceded                     | 27.00 | 1,370,599                                | 144,588                                  |
| <b>Total</b>   |       | <b>66,840,404</b>                        | <b>82,062,894</b>                        |

Chief Executive Officer

Company Secretary

Chief Financial Officer

**Miscellaneous Insurance Revenue Account**  
 For the year ended on December 31, 2020

| Particulars   | Notes | Amount in Taka                        |                                       |
|---|-------|---------------------------------------|---------------------------------------|
|   |       | January 01, 2020 to December 31, 2020 | January 01, 2019 to December 31, 2019 |
| <b>Claims under policies less re-insurance</b>  |       | (519,035)                             | 1,228,461                             |
| Claims paid during the year   |       | 618,260                               | 91,166                                |
| Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated                                   |       | -                                     | 1,137,295                             |
| Less: Outstanding claims at the end of the previous year  |       | 1,137,295                             | -                                     |
| Insurance stamps consumed   |       | 28,221                                | 24,192                                |
| Agency commission   |       | 6,206,155                             | 8,762,504                             |
| Expenses of management  | 29.00 | 19,701,778                            | 27,531,861                            |
| Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income   |       | 24,675,142                            | 9,310,592                             |
| Balance of account at the end of the year as shown in the Financial Position being reserve for unexpired risks @40% of premium income of the year |       | 18,707,806                            | 19,765,930                            |
| <b>Total</b>  |       | <b>68,800,067</b>                     | <b>66,623,540</b>                     |

  
**Vice Chairman**

  
**Director**

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature :

Auditors' Name : Mohammad Mofizul Haque Rinku, FCA, Partner/Enr No.: 1204

Date : May 25, 2021

Place : Dhaka

DVC : 2106031204AS874694

**Miscellaneous Insurance Revenue Account**  
 For the year ended on December 31, 2020

| Particulars  | Notes | Amount in Taka                           |  |
|--|-------|--|--|
|  |       | January 01, 2020 to<br>December 31, 2020 | January 01, 2019 to<br>December 31, 2019 |
| Balance of fund account at the beginning of the year |       | 19,765,930                               | 10,965,391                               |
| Premium less re-insurance                            | 26.00 | 46,769,514                               | 49,414,824                               |
| Commission on re-insurance ceded                     | 27.00 | 2,264,623                                | 6,243,325                                |
| <b>Total</b>   |       | <b>68,800,067</b>                        | <b>66,623,540</b>                        |

  
 Chief Executive Officer

  
 Company Secretary

  
 Chief Financial Officer



### Statement of Changes in Shareholders Equity For the year ended on December 31, 2020

| Particulars                               | Share Capital      | General Reserve  | Reserve for Exceptional Losses | Retained Earnings | Total              |
|---|--------------------|------------------|--------------------------------|-------------------|--------------------|
| Balance as at January 01, 2020            | 433,385,310        | 9,000,000        | 166,753,498                    | 62,102,610        | 671,241,418        |
| Issuance of bonus share for the year 2019 | 30,336,970         | -                | -                              | (30,336,970)      | -                  |
| Cash dividend paid for the year 2019      | -                  | -                | -                              | (30,336,972)      | (30,336,972)       |
| Profit after tax during the year          | -                  | -                | -                              | 109,463,857       | 109,463,857        |
| Appropriation made during the year        | -                  | 750,000          | 35,447,271                     | (36,197,271)      | -                  |
| <b>Balance as at December 31, 2020</b>    | <b>463,722,280</b> | <b>9,750,000</b> | <b>202,200,769</b>             | <b>74,695,254</b> | <b>750,368,303</b> |

### Statement of Changes in Shareholders Equity For the year ended on December 31, 2019

| Particulars                            | Share Capital      | General Reserve  | Reserve for Exceptional Losses | Retained Earnings | Total              |
|--|--------------------|------------------|--------------------------------|-------------------|--------------------|
| Balance as at January 01, 2019         | 393,986,650        | 8,250,000        | 140,739,970                    | 40,811,745        | 583,788,365        |
| Issuance of bonus share                | 39,398,660         | -                | -                              | (39,398,660)      | -                  |
| Profit after tax during the year       | -                  | -                | -                              | 87,453,053        | 87,453,053         |
| Appropriation made during the year     | -                  | 750,000          | 26,013,528                     | (26,763,528)      | -                  |
| <b>Balance as at December 31, 2019</b> | <b>433,385,310</b> | <b>9,000,000</b> | <b>166,753,498</b>             | <b>62,102,610</b> | <b>671,241,418</b> |

The accompanying notes 1 to 34 & Annexure-A to E form an integral part of the financial statements.

  
Vice Chairman

  
Director

  
Chief Executive Officer

  
Company Secretary

  
Chief Financial Officer

**Republic Insurance Company Limited**

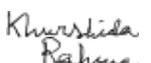
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

**Statement of Cash Flows**

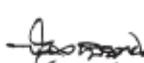
For the year ended on December 31, 2020

| Particulars  | Notes        | Amount in Taka                           |  |
|--|--------------|--|--|
|  |              | January 01, 2020 to<br>December 31, 2020 | January 01, 2019 to<br>December 31, 2019 |
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>   |              |  |  |
| Collection from premium and other income   |              | 882,725,912                              | 785,017,741                              |
| Payment for management expenses, re-insurance and claims   |              | (697,808,041)                            | (657,724,835)                            |
| Income tax paid  |              | (47,902,539)                             | (30,023,132)                             |
| <b>Net cash generated from operating activities</b>  |              | <b>137,015,332</b>                       | <b>97,269,774</b>                        |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>   |              |  |  |
| Acquisition of fixed assets  |              | (7,287,510)                              | (16,629,110)                             |
| Advance against vehicle purchase   |              | -  | (124,000)                                |
| Advance against computer software  |              | (390,000)                                | 400,000                                  |
| Advance against office decoration  |              | (100,000)                                | (5,000,000)                              |
| Advance against office equipment   |              | (300,000)                                | -  |
| Advance against air conditioner  |              | (200,000)                                | -  |
| Sale proceeds of vehicle   |              | -  | 1,500,000                                |
| Investment of fixed deposit  |              | (23,110,013)                             | (127,080,567)                            |
| Disposal of fixed deposit  |              | 5,000,000                                | 83,836,306                               |
| Investment in govt. securities   |              | (32,300,000)                             | -  |
| <b>Net cash used in investing activities</b>   |              | <b>(58,687,523)</b>                      | <b>(63,097,371)</b>                      |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>   |              |  |  |
| Dividend paid  |              | (29,928,509)                             | -  |
| Sale proceeds on fraction shares issuance of bonus share for the year 2019                         |              | 48,693                                   | -  |
| <b>Net cash used in financing activities</b>   |              | <b>(29,879,816)</b>                      | <b>-</b>                                 |
| <b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>                             |              | <b>48,447,993</b>                        | <b>34,172,403</b>                        |
| <b>E. Cash and cash equivalents at the beginning of the year</b>                                   |              | <b>64,038,033</b>                        | <b>29,853,149</b>                        |
| Cash and cash equivalents at the beginning of the year before adjusting of translation gain/(loss) |              | 112,486,026                              | 64,025,552                               |
| Foreign currency translation gain/(loss)   |              | (361)                                    | 12,481                                   |
| <b>F. Cash and cash equivalents at the end of the year</b>   |              | <b>112,485,665</b>                       | <b>64,038,033</b>                        |
| <b>Net operating cash flows per share (NOCFPS)</b>   | <b>33.00</b> | <b>2.95</b>                              | <b>2.24</b>                              |

  
 Vice Chairman

  
 Director

  
 Chief Executive Officer

  
 Company Secretary

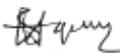
  
 Chief Financial Officer



**Form "AA"**

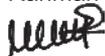
**Classified Summary of Assets As at December 31, 2020**

| SL. No.                     | Class of assets   | Book Value 2020 (Tk.) | Book Value 2019 (Tk.) | Remarks                   |
|-----------------------------|---|-----------------------|-----------------------|---------------------------|
| <b>A)</b>                   | <b>Non-current assets:</b>  |                       |                       |                           |
| i)                          | <b>Property, plant &amp; equipment</b>                                    | <b>68,621,132</b>     | <b>75,269,471</b>     | At cost less depreciation |
|                             | Computer  | 2,238,871             | 2,150,606             |                           |
|                             | Furniture & fixtures  | 9,899,695             | 10,845,576            |                           |
|                             | Office equipments   | 2,206,012             | 2,288,640             |                           |
|                             | Vehicles  | 19,042,642            | 18,656,630            |                           |
|                             | Crockeries & cutleries  | 76,138                | 95,173                |                           |
|                             | Air conditioner   | 2,468,358             | 2,579,409             |                           |
|                             | Telephone   | 270,041               | 294,206               |                           |
|                             | Office decoration   | 13,380,215            | 14,566,412            |                           |
|                             | Land and land development   | 6,238,556             | 6,238,556             |                           |
|                             | Sundry assets   | 20,018                | 25,022                |                           |
|                             | Computer software   | 1,443,862             | 1,292,737             |                           |
|                             | Lease car   | 1,200,520             | 1,333,911             |                           |
|                             | Right-of-use assets   | 10,136,204            | 14,902,593            |                           |
| ii)                         | <b>Investment:</b>  | <b>72,483,277</b>     | <b>37,497,786</b>     |                           |
|                             | a) Investment in government treasury bond                                 | 25,000,000            | 25,000,000            | Not quoted in Market      |
|                             | b) Investment in government securities                                    | 32,300,000            | -                     | Not quoted in Market      |
|                             | c) Investment in shares at market value                                   | 15,183,277            | 12,497,786            | At Market price           |
|                             | <b>Total non-current assets ( i+ii)</b>                                   | <b>141,104,409</b>    | <b>112,767,256</b>    |                           |
| <b>B)</b>                   | <b>Current assets:</b>  | <b>1,222,089,995</b>  | <b>1,078,510,454</b>  |                           |
|                             | a) Invstment in fixed deposits with banks                                 | 454,720,124           | 436,610,111           | Realizable value          |
|                             | b) Cash at bank   | 109,703,176           | 62,078,212            | Realizable value          |
|                             | c) Cash in hand   | 2,782,489             | 1,959,821             | Realizable value          |
|                             | d) Interest accrued   | 17,802,200            | 17,256,868            | Realizable value          |
|                             | e) Sundry debtors   | 389,301,948           | 323,861,778           | Realizable value          |
|                             | f) Amount due from other persons or bodies carrying on insurance business | 244,490,895           | 233,511,950           | Realizable value          |
|                             | g) Stock of printing & stationery and stamp in hand                       | 3,289,163             | 3,231,714             | At cost                   |
| <b>C)</b>                   | <b>Other assets:</b>  |                       |                       |                           |
|                             | Deferred tax assets   | 4,262,393             | 3,784,266             | Realizable value          |
| <b>Total assets (A+B+C)</b> |   | <b>1,367,456,797</b>  | <b>1,195,061,977</b>  |                           |

 **Vice Chairman**    
  **Director**    
  **Chief Executive Officer**    
  **Company Secretary**    
  **Chief Financial Officer**

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature : 

Auditors' Name : Mohammad Mofizul Haque Rinku, FCA, Partner/Enr No.: 1204

Date : May 25, 2021

Place : Dhaka

DVC : 2106031204AS874694

# NOTES TO THE FINANCIAL STATEMENTS

Republic Insurance Company Limited  
For the year ended on December 31, 2020

## 1.00 Legal form of the Company:

The Company was incorporated on the 18th of May, 2000 as a Public Limited Company under the Companies Act, 1994 having registered office in Bangladesh, with the object of carrying all kinds of insurance business other than life insurance and obtained permission to commence insurance business from the Chief Controller of Insurance, Directorate of Insurance, Government of the People's Republic of Bangladesh on May 31, 2000. The Company is registered with an authorized capital of Tk. 50 (Fifty) crore and had issued fully subscribed initial paid up capital of Tk. 6 (Six) crore.

The Company with the permission of Securities and Exchange Commission had issued 900,000 Ordinary Shares of Tk. 100.00 each on December 1, 2008 and was listed with Dhaka Stock Exchange on 14.01.2009 & Chattogram Stock Exchange on 07.01.2009.

Pursuant to section 21 of Insurance Act-2010 (The first Schedule), and Rule 4(A) of Insurance Rules 1958 and the Memorandum & Articles of Association of the Company, The Company with the permission of Bangladesh Securities and Exchange Commission raised its paid up capital from Tk. 6.00 crore to Tk.15.00 crore through Initial Public Offering (IPO) of 900,000 Ordinary Shares of Tk.100 each as per in October, 2008. Company issued 10% stock dividend on 2009, 2010, 2011 & 12% on 2012, 12.50% stock dividend on 2013, 10% stock dividend on 2014, 13% stock dividend on 2015, 12% stock dividend on 2016, 12.50% stock dividend on 2017, 10% stock dividend on 2018 and 7% cash dividend & 7% stock dividend on 2019.

So total paid up capital increased from Tk.15.00 crore to Tk. 46.37 crore. In the year 2011 the Company increased its authorized capital Tk. 50.00 crore to Tk.100.00 crore and changed the per share value from Tk.100.00 to Tk.10.00 in the 3rd Extra Ordinary General Meeting held on 15th November 2011. The Company also got the necessary permission from Bangladesh Securities and Exchange Commission and maintained the all formalities required by the Register of Joint Stock Companies & Firms.

## 1.01 Address of registered office and place of business of the Company:

The Head Office of the Company is located at HR Bhaban (6th & 9th floor), 26/1, Kakrail, Dhaka-1000, Bangladesh. The business operation of the Company is being carried out through 30 (thirty) branches located in all over Bangladesh.

## 1.02 Principal activities of the Company:

The principal activities of the Company are to carry on all kinds of insurance business, guarantee, and indemnity business other than life insurance business. There were no significant changes in the nature of the principal activities of the Company during the year 2020 under review.

## 1.03 Authorization date for issuing financial statements:

Financial statements of the Company for the year ended on December 31, 2020 were authorized for issue on May 25, 2021 in accordance with a resolution of the Board of Directors of the Company.

## 2.00 Basis of presenting accounts and significant accounting policies:

### 2.01 Basis of accounting preparation:

The financial statements of the Company under reporting have been prepared under historical cost convention in going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and practices in Bangladesh. Disclosures of financial information as required by Insurance Act-

2010 have been complied with while preparing statement of financial position, Statement of profit or loss and other comprehensive income, and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act-1994. In addition, Bangladesh Securities and Exchange Commission (BSEC) Rules-1987, Listing Regulations of Dhaka Stock Exchange Ltd. (DSE) & Chattogram Stock Exchange Ltd. (CSE), International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable laws & regulations in Bangladesh.

## **2.02 Management responsibility:**

The management of the Company is responsible to reporting and preparation of financial statements true and fair view of the Company's affairs in compliance with International Financial Reporting Standards (IFRS) and existing accounting standards and applicable laws.

## **2.03 Directors responsibility:**

The Board of Directors are also responsible for the preparation and presentation of financial statements under section 183 of the Companies Act-1994, the Bangladesh Securities and Exchange Rules 1987, listing regulation of Dhaka Stock Exchange Limited and Chattogram Stock Exchange Limited and as per the provision of "The International Accounting Standards Committee" (IASC). According to the "International Accounting Standard (IAS-I)" as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Presentation of financial statements the complete set of financial statements includes the following components:

- i) Statement of financial position as at December 31, 2020
- ii) Statement of profit or loss and other comprehensive income for the year ended on December 31, 2020
- iii) Statement of consolidated revenue account for the year ended on December 31, 2020
- iv) Statement of changes in equity for the year ended on December 31, 2020
- v) Statement of cash flows for the year ended on December 31, 2020
- vi) Notes, comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended on December 31, 2020

## **2.04 Basis of presentation:**

The financial position has been prepared in accordance with the regulations as contained in part-I of the First Schedule and as per Form "A" as set forth in part-II of that Schedule. Revenue account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part-I of the Third Schedule and as per Form 'F' as set forth in Part-II of that Schedule of Insurance Act-1938 as amended and adopted Insurance Act-2010. The classified summary of the assets has been prepared in accordance with Form "AA" as set forth in Part-II of the aforesaid Act.

## **2.05 Regulatory compliances:**

The financial statements have been prepared and disclosures of information have been made in accordance with the requirements of Insurance Act-1938 (New Act, 2010), Insurance rules-1958, the Companies Act-1994, the Securities and Exchange Rules-1987, the listing rules of Dhaka Stock Exchange and Chattogram Stock Exchange, Income Tax Ordinance-1984, Income Tax Rules-1984 and time to time Guidelines from Insurance Development and Regulatory Authority rules and regulations. To comply with the International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable laws and regulations.

## **2.06 Comparative information:**

Comparative information have been disclosed in respect of the year ended on December 31, 2020 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements. The comparative information or prior period information is restated, rearranged or revised when they necessary in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

## 2.07 Reporting currency and level of precision:

The figures in the financial statements represent Bangladesh currency (Taka), which have been rounded off to the nearest taka except where indicates otherwise.

## 2.08 Going concern basis:

The Company has adequate resources to continue in the operation for the foreseeable future. For this reason, the Company continues to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources for providing sufficient funds to meet the present requirements of its existing business and operations.

## 2.09 Reporting period:

Financial statements of the Company consistently cover one calendar year from January 01, 2020 to December 31, 2020.

## 2.10 Interim financial reporting:

In accordance with International Accounting Standard (IAS-34) interim financial reporting publicly traded entities encourages providing interim financial reports that confirm to the recognition, measurement and disclosure principles set out in this standard. Timely and reliable interim financial reporting improves the ability of investors, creditors, and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity.

## 2.11 Branch accounting:

The Company has 30 (thirty) branches in Bangladesh. The accounts of the branches are maintained at the head office level. Only petty cash books are maintained at the branch level for maintaining its day to day office expenses.

## 2.12 Risk and uncertainty for use of estimates in preparation of financial statements:

The preparation of financial statements is in conformity with the International Financial Reporting Standards (IFRS's) including the International Accounting Standards (IAS's) require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets liabilities, income and for contingent assets and liabilities that require disclosure during and at the date of financial statements.

Actual results could differ from those estimates. Estimates and underlying assumptions are used for accounting of certain items such as long-term contract, provision for doubtful accounts, depreciation and amortization, taxes, reserves and contingencies.

## 2.13 Significant accounting policies and relevant information:

- a) **Revenue from contracts with customers(IFRS-15):**  
Revenue recognized in accordance with International Financial Reporting Standard (IFRS-15) revenue unless otherwise mentioned or otherwise guided by the separate IAS.
- b) **Underwriting premium income:**  
Premium income is recognized when insurance policies are issued and premium collected. The sum of premium income as appeared in classified revenue accounts is net of the refund made, re-insurance ceded and re-insurance premium on PSB.
- c) **Public sector business (PSB) :**  
The premium in respect of Company's share of public sector insurance business (PSB) is accounted for in the year in which the relevant statement of accounts from Shadharan Bima Corporation is received. The statements of account for the period from July 2019 to June 2020 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognized in these financial statements

accordingly. Such method of account for the public sector insurance business (PSB) has been consistently followed.

d) **Re-insurance ceded and accepted :**

1) Re-insurance ceded and accepted with Sadharan Bima Corporation:

Necessary adjustment in respect of re-insurance ceded and accepted in Bangladesh has duly been made in respective revenue account as per Treaty between the Company and Shadharan Bima Corporation (SBC) and Foreign re-insurer.

2) Re-insurance with Foreign re-insurer :

Fifty percent of the re-insurable general insurance business shall be re-insured with the Sadharan Bima Corporation and the remaining fifty percent of such business may be re-insured either with the Sadharan Bima Corporation and the remaining fifty percent of such business may be re-insured either with the Corporation or with any other insurer whether in or outside Bangladesh.

e) **Cover notes converted into policy (CCP) :**

Amounts received against issue of cover notes that have not converted into policy are not recognized as income. The cover note which was previously issued is converted into insurance policy at the expiry of nine months from the date of issue of such cover notes as per circular of the then Chief Controller of Insurance.

f) **Premium deposit:**

Premium deposit represents amount of premium deposited with the Company against cover notes for which policies are yet to be issued.

g) **Investment in shares:**

Investments are initially recognized at cost including acquisition charges with the investments. After initial recognition investments in marketable ordinary shares have been valued at market price on an aggregate portfolio basis.

h) **Investment in Bangladesh government treasury bond and securities:**

10 (Ten) years Bangladesh Government Treasury bond and securities are valued at cost price.

i) **Investment income:**

i. Interest on fixed deposit and 10 (Ten) years Bangladesh government treasury bond and securities are accounted for on accrual basis after making provision for income tax deductible at source. Interest on STD account and other income are recognized on cash basis.

ii. Portfolio gain /loss on investment in shares are recognized in the statement of profit or loss and other comprehensive income on realization basis.

iii. Dividend income on share investments if any, are recognized on cash basis and shown in statement of profit or loss and other comprehensive income account. For stock dividend, received by the Company against its investment, number of shares increased and average cost of investment decreased.

j) **Balance of funds and accounts:**

These have been arrived at after making provision for unexpired risks @ 40% of net premium income on all business except marine hull insurance where provision has been made at 100% on net premium income.

k) **Reserves for exceptional losses:**

As per para 6 of 4th schedule of income tax ordinance, 1984 to meet the exceptional losses, Company sets aside maximum ten percent of the net premium income of the year in which it is set aside from the balance of the profit to reserve for exceptional losses. As per Insurance law maximum 10% statutory reserve be maintained out of profit by the Company to meet any possible future claims on net premium income. During the year under review of the Company sets aside 7% of net premium income.

l) **General reserve:**

The Company creates a general reserve fund from the current year profit to avoid future contingency.

- m) **Statement of cash flows:**  
Statement of cash flows is prepared in accordance with IAS-7 and International Accounting Standard (IAS) -7 statements of cash flows and the cash flow from the operating activities has been presented under direct method as prescribed by the Securities and Exchange Rules-1987. Statement of cash flows in broken down into operating activities, investing activities and financing activities.
- n) **Cash and cash equivalents :**  
According to IAS-7 statement of cash flows cash comprises cash in hand and demand deposits and cash equivalents are short term, highly liquid investments that are readily convertible to amounts of cash and which are subject to an insignificant risk of changes in value. IAS-1 "Presentation of Financial Statements" provides that cash and cash equivalents are not restricted in use. Considering the provisions of IAS-7 and IAS-1, cash in hand and bank balances have been considered as cash and cash equivalents.
- o) **Foreign currency transactions:**  
All foreign currency transactions are converted into equivalent taka at the ruling exchange rates on the respective date of such transactions as per International Accounting Standard (IAS-21): "The Effects of Changes in Foreign Exchanges Rates". Any gain/(loss) arisen on such transaction is shown in the statement of profit or loss and other comprehensive income.
- p) **Inventories:**  
In compliance with the requirement of IAS-2 Inventories are stated at the lower of cost and net realizable value. Net realizable value is based on estimated selling price less any further cost expected to be incurred to make the sale.
- q) **Segment reporting:**  
A business segment is a distinguishable component of the Company that is engaged in providing services that are subject to risks and returns and are different from those of other business segments. The Company accounts for segment reporting of operating results of each segment. The Company has four primary business segments for reporting purposes namely Fire, Marine, Motor and Miscellaneous.

## 2.14 Taxation:

### Current tax

The Company makes provision of current tax based on the taxable income as per the Income Tax Ordinance 1984. Taxable profits differ from profits as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other year or are never taxable or deductible. Company's liability for current tax is calculated using tax rates that have been enacted the statement of financial position date.

### Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary difference. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Deferred tax is charged or credited to the statement of profit or loss and other comprehensive income.

## 2.15 Allocation of management expenses:

As per section 40 (C-2) insurance Act-1938 as amended insurance Act-2010 all relevant management expenses have been allocated amongst different revenue account in respect of fire, marine, motor and miscellaneous insurance business on pro-rata basis at their respective gross premium income. Management expenses as charged to revenue accounts amounting to Tk. 221,617,303 represents approximately 28.41% of Tk. 780,016,220 (Including public sector business of Tk. 61,789,451). The expenses have been apportioned @ 47.25% to fire, 32.53% to marine cargo, 5.35% to marine hull, 5.98% to motor and 8.89% to miscellaneous business as per management decision.

## 2.16 Employees benefit (IAS-19):

Republic Insurance Company Limited offers a number of benefit plan for all permanent employees of the Company which includes contributory provident fund, gratuity fund, earn leave benefit festival bonus which have been accounted for in accordance with the provision of International Accounting standard (IAS)-19, "Employees Benefit".

### i) Contributory provident fund

The Company operates a contributory provident fund for its permanent employees, provision for which are being made annually as per rules administered by a Board of Trustees in which eligible employees contribute @ 8% of basic salary. The Company also makes contribution of the same amount to the said provident fund.

### ii) Provision for gratuity

The Company has made provision for employee's gratuity fund during the year as per provision of service Rules of the Company under Sec 5.12. The service rules of Republic Insurance Company Limited was approved by the Board of Directors in January 03, 2013. As per the Sec 5.12 of the service rules gratuity shall be reckoned from July 01, 2004 & IAS-19 under employees' retirement benefit schemes.

## 2.17 Workers profit participation fund and welfare fund:

As per Section 234 of Bangladesh Labor (Amendments) Act-2013 & requirement of Dhaka Stock Exchange Ltd vide letter No.DSE/CGFRC/LC-363/2014-5574 Dt. 22 June 2014, Company made provision for WPPF @ 5% on net profit before tax during the year.

## 2.18 Property, plant & equipment's and depreciation:

All fixed assets are stated at cost less accumulated depreciation as per International Accounting Standard (IAS)-16, "Property, Plant and Equipment's". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non refundable taxes.

### Recognition of property, plant and equipment's:

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the items can be measured reliably. Normal expenditure incurred after the assets have been put into operation such as repairs and maintenance other than major replacements, renewals and/or betterment of the assets are charged off as revenue expenditure in the period in which it is incurred.

### Depreciation on property, plant & equipment's:

Property, plant & equipment's are depreciated following the reducing balance method on the basis of economic life expectancy of the assets in accordance with IAS-16. Depreciation on addition of fixed assets has been charged when it is available for use. The property, plant & equipment's are depreciated at the following rates:

| Category of assets     | Rate of depreciation |
|------------------------|----------------------|
| Computer               | 30%                  |
| Furniture & fixtures   | 10%                  |
| Office equipment's     | 20%                  |
| Vehicles               | 20%                  |
| Crockeries & cutleries | 20%                  |
| Air conditioner        | 20%                  |
| Telephone              | 10%                  |
| Office decoration      | 10%                  |
| Sundry assets          | 20%                  |
| Computer software      | 20%                  |
| Lease car              | 10%                  |

### **De-recognition**

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss and other comprehensive income in the year the asset is de-recognized.

### **Impairment of assets**

As per IAS-36 Impairment of assets: The carrying amounts of the Company's non-current assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment, if any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. Considering the present conditions of the assets, management concludes that there is no such indication exists.

## **2.19 Leases:**

The Company applied IFRS-16 Leases for the first time with the date of initial application of 01 January 2019. As IFRS 16-supersedes IAS-17 Lease, the Company has made recognition, measurement and disclosure in the financial statements-2020 as per IFRS-16.

### **Right-of-use assets (ROU)**

The Company recognizes the right-of-use assets (ROU) at the commencement date of the lease. ROU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term. The Company assessed all lease contracts live in 2020 and recognized as ROU of assets of all leases. As leases under IFRS-16 first time adopted by the Company, the Company has followed modified retrospective approach of adoption with the date of initial application of 01 January 2019. Therefore, the Company considered a cut-off date beginning of the year 2019 and reassessed unadjusted advance payment and remaining lease period of each contract, and recognized those in the financial statements for the year ended on 31 December 2020 without giving retrospective impact in earlier presentation.

### **Lease liabilities**

At the commencement of the lease, the Company recognizes lease liabilities measured at the present value of lease payments initial payment, and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the Company and payment of penalties for terminating the lease to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for terminating the lease term).

## **2.20 Financial risk management (IFRS-7):**

### **2.20.1 Introduction:**

The Company's activities expose it to a variety of financial risks: credit risk, market risk, and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Financial risk management is carried out by Accounts and Finance Department under policies approved by Board of Directors Accounts and Finance Department identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units.

This note presents information about the Company's exposure to each of the risks arising from financial instruments and the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

### 2.20.2 Carrying amounts of financial instruments by category:

The following table shows the carrying amounts of financial instruments by category at the end of December:

|   | Maturity analysis  |                   |                    |                    |                    |
|---|--------------------|-------------------|--------------------|--------------------|--------------------|
|   | Current            | >30 days          | >90 days           | >1 year            | Total              |
| Cash and cash equivalents, receivables and Advances, Deposits & Prepayments |                    |                   |                    |                    |                    |
| Cash and cash equivalents   | 112,485,665        | -                 | -                  | -                  | 112,485,665        |
| Trade and other receivable  | -                  | -                 | 97,369,341         | 147,121,554        | 244,490,895        |
| Advances, Deposits and Prepayments  | -                  | 77,860,389        | 116,790,584        | 194,650,975        | 389,301,948        |
| Non-current financial assets  | -                  | -                 | -                  | 72,483,277         | 72,483,277         |
| <b>Balance at December 31, 2020</b>   | <b>112,485,665</b> | <b>77,860,389</b> | <b>214,159,925</b> | <b>414,255,806</b> | <b>818,761,785</b> |
| <b>Financial liabilities measured at amortized cost</b>                     |                    |                   |                    |                    |                    |
| Trade and Other Payable   | -                  | 5,661,537         | 9,435,896          | 23,370,875         | 38,468,308         |
| Liability for expenses  | -                  | 17,956,208        | 11,970,805         | 9,975,673          | 39,902,686         |
| <b>Balance at December 31, 2020</b>   | <b>-</b>           | <b>23,617,745</b> | <b>21,406,701</b>  | <b>33,346,548</b>  | <b>78,370,994</b>  |

### 2.20.3 Credit risks:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with trade and other receivable is limited, as the Company has numerous clients located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are as follows governmental organizations, listed public limited companies, and other customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. There are no commitments that could increase this exposure to more than the carrying amounts.

### 2.20.4 Market risks:

Market risk is the risk that changes in market prices, foreign exchange rates, and other prices will affect the Company's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

### 2.20.5 Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts and Finance manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

| Bangladeshi Taka                     | Carrying amount   | Contractual cash flows | Between 1 and 90 days | Between 91 and 360 days | Between 1 and 2 years | Over 2 years |
|--------------------------------------|-------------------|------------------------|-----------------------|-------------------------|-----------------------|--------------|
| Non-derivative financial liabilities |                   |                        |                       |                         |                       |              |
| Trade and Other Payable              | 38,468,308        | -                      | 13,463,907            | 9,617,077               | 15,387,324            | -            |
| Liability for expenses               | 39,902,686        | -                      | 13,965,940            | 9,975,672               | 15,961,074            | -            |
| <b>Balance at December 31, 2020</b>  | <b>78,370,994</b> | <b>-</b>               | <b>27,429,847</b>     | <b>19,592,749</b>       | <b>31,348,398</b>     | <b>-</b>     |

### 2.21 Sale of fixed assets:

Sale price of fixed assets are determined on the basis of fair value of assets, gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between sales proceeds and carrying amount of the assets and recognized on the statement of profit or loss and other comprehensive income as per provision of IAS-16 "Property, Plant and Equipment".

### 2.22 Earnings per share (EPS):

The Company calculates earnings per share (EPS) in accordance with IAS-33 "Earnings Per Share" which has been shown on the statement of profit or loss and other comprehensive income in the financial statements.

### 2.23 Basic earnings per share (BEPS):

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year (Net profit after taxation).

### 2.24 Basic earnings:

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

### 2.25 Diluted earnings per share:

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extents such entitlement is not subject unresolved contingencies.

At December 31, 2020 there was no scope for dilution and hence no dilution EPS is required to be calculated.

### 2.26 Key Management benefits:

The aggregate amount paid/provided during the year in respect of Directors and Executives of the Company is as follows:

| Benefits        | 2020           |                   | 2019             |                   |
|-----------------|----------------|-------------------|------------------|-------------------|
|                 | Directors      | Executives        | Directors        | Executives        |
| Salary          | -              | 39,015,179        | -                | 35,391,572        |
| Festival bonus  | -              | 2,791,434         | -                | 2,530,795         |
| Provident fund  | -              | 1,066,163         | -                | 1,076,212         |
| Gratuity        | -              | -                 | -                | 1,606,450         |
| Group insurance | -              | -                 | -                | 473,215           |
| Directors fee   | 556,800        | -                 | 1,014,400        | -                 |
| <b>Total</b>    | <b>556,800</b> | <b>42,872,776</b> | <b>1,014,400</b> | <b>41,078,244</b> |

### **2.27 Related party disclosure:**

As per International Accounting Standard (IAS) 24 "Related Party Disclosures" parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Notes: 34.00.

### **2.28 Events after the reporting period (financial position date):**

The Board of Directors has recommended 14% dividend (7% stock dividend and 7% cash dividend) on paid up capital for the year ended on December 31, 2020 as per approval of Board Meeting held on May 25, 2021 as dividend on paid up capital of Tk.463,722,280 subject to the approval in the Annual General Meeting (AGM) to be held on July 27, 2021. Events after the reporting period, dividend declared should not be classified as a liability in the financial statements which is in compliance with the International Accounting Standards (IAS-10) Para12.

### **2.29 General:**

- Number of employees received salary up to taka 10,000 per month are nil.
- Number of employees received salary above taka 10,000 per month are 710.
- The Company has no contingent liability.
- The Board of Directors received no remuneration from the Company other than fees for attending the Board Meetings.
- During the year 04 (four) numbers of Board Meeting were held.
- All shares have been fully called and paid up.
- There was no preference share issued by the Company.
- There were no bank guarantees issued by the Company on behalf of their directors or the Company itself.



Notes to the Financial Statements  
 For the year ended on December 31, 2020

|             |   | Amount in Taka     |                    |
|-------------|---|--------------------|--------------------|
|             |   | December 31, 2020  | December 31, 2019  |
| <b>3.00</b> | <b>Share capital</b>                                |                    |                    |
| <b>3.01</b> | <b>Authorized capital</b>                           |                    |                    |
|             | 100,000,000 ordinary shares of Tk.10 each           | 1,000,000,000      | 1,000,000,000      |
| <b>3.02</b> | <b>Issued, subscribed and paid up capital</b>       |                    |                    |
|             | Issued, subscribed and paid up capital consists of  | 463,722,280        | 433,385,310        |
|             | 46,372,228 ordinary shares of Tk.10 each fully paid | <b>463,722,280</b> | <b>433,385,310</b> |

**3.03 Shareholdings**

Pursuant to section 21 of Insurance Act, 2010 (The First Schedule), and Rule 4-A of Insurance Rules 1958 and the Memorandum and Articles of Association of the Company, The Company with the permission of Bangladesh Securities and Exchange Commission raised its paid up capital from Tk. 6.00 crore to Tk.15.00 crore through Initial Public Offering (IPO) of 900,000 Ordinary Shares of Tk.100 each as per in October, 2008. Company issued 10% Stock dividend on 2009,2010,2011,12% on 2012, 12.5% on 2013, 10% on 2014, 13% on 2015, 12% on 2016, 12.50% on 2017, 10% on 2018 and 7% stock & 7% cash dividend on 2019. So total paid capital increase from Tk.15.00 crore to Tk.46.37 crore. In the year 2011 the Company increased its authorized capital Tk.50.00 crore to Tk.100.00 crore and changed the per share value from Tk.100 to Tk.10 in the 3rd Extra Ordinary General Meeting held on 15th November 2011. The Company also got the necessary permission from Securities and Exchange Commission and maintained the all formalities required by the Register of Joint Stock Companies & Firms. The category-wise share holding position as on 31st December, 2020 is as under.

| Particulars                       | 2020              |               | 2019              |               |
|-----------------------------------|-------------------|---------------|-------------------|---------------|
|                                   | No. of shares     | % of holding  | No. of shares     | % of holding  |
| 1. Sponsors & Directors (Group-A) | 14,683,790        | 31.67         | 21,731,228        | 50.14         |
| 2. General Public (Group-B)       | 31,688,438        | 68.33         | 21,607,303        | 49.86         |
| <b>Total</b>                      | <b>46,372,228</b> | <b>100.00</b> | <b>43,338,531</b> | <b>100.00</b> |

The sponsors & directors are shareholding 31.67% against 60% as required by Insurance Act 2010 section 21(3) and Schedule 1. On the other hand the sponsors and directors of the Company are holding more than the 30% shares of the paid up capital required under gazette notification no. BSEC/CMRRC-D/2009-193/217/Admin/90. Dated: 15 July 2019 of Bangladesh Securities and Exchange Commission.

**Group "A" Shareholders (Sponsors)**

| Class interval      | No. of shareholders | No. of share      | % Total holding | % Total paid-up capital |
|---------------------|---------------------|-------------------|-----------------|-------------------------|
| 1 to 500            | -                   | -                 | -               | -                       |
| 501 to 5000         | -                   | -                 | -               | -                       |
| 5001 to 10000       | -                   | -                 | -               | -                       |
| 10001 to 20000      | -                   | -                 | -               | -                       |
| 20001 to 30000      | -                   | -                 | -               | -                       |
| 30001 to 40000      | -                   | -                 | -               | -                       |
| 40001 to 50000      | -                   | -                 | -               | -                       |
| 50001 to 100000     | -                   | -                 | -               | -                       |
| 100001 to 1000000   | 6                   | 5,611,240         | 38.21           | 12.10                   |
| 1000001 to 10000000 | 7                   | 9,072,550         | 61.79           | 19.57                   |
| <b>Total</b>        | <b>13</b>           | <b>14,683,790</b> | <b>100.00</b>   | <b>31.67</b>            |

**Amount in Taka**

**December 31,  
2020**

**December 31,  
2019**

**Group "B" Shareholders (Public)**

| Class interval      | No. of shareholders | No. of share      | % Total holding | % Total paid-up capital |
|---------------------|---------------------|-------------------|-----------------|-------------------------|
| 1 to 500            | 1,492               | 251,769           | 0.79            | 0.54                    |
| 501 to 5000         | 1,917               | 3,840,576         | 12.12           | 8.28                    |
| 5001 to 10000       | 338                 | 2,589,930         | 8.17            | 5.59                    |
| 10001 to 20000      | 237                 | 3,541,257         | 11.18           | 7.64                    |
| 20001 to 30000      | 76                  | 1,884,815         | 5.95            | 4.06                    |
| 30001 to 40000      | 53                  | 1,856,579         | 5.86            | 4.00                    |
| 40001 to 50000      | 36                  | 1,695,643         | 5.35            | 3.66                    |
| 50001 to 100000     | 50                  | 3,433,098         | 10.83           | 7.40                    |
| 100001 to 1000000   | 45                  | 10,064,275        | 31.76           | 21.70                   |
| 1000001 to 10000000 | 1                   | 2,530,496         | 7.99            | 5.46                    |
| <b>Total</b>        | <b>4,245</b>        | <b>31,688,438</b> | <b>100.00</b>   | <b>68.33</b>            |

**3.04 Share capital (paid up)**

|   |                    |                    |
|---|--------------------|--------------------|
| Opening balance                         | 433,385,310        | 393,986,650        |
| Add: bonus share issued during the year | 30,336,970         | 39,398,660         |
| <b>Total share capital (paid up)</b>    | <b>463,722,280</b> | <b>433,385,310</b> |

**4.00 Reserve and contingent account**

The Company has been made some exceptional reserves from net profit to meet any future contingencies like claims losses or any sudden future fund crisis. Details are as hereunder:

| Particulars                         | Notes No. | Amount in Taka     |                    |
|-------------------------------------|-----------|--------------------|--------------------|
|                                     |           | 31.12.2020         | 31.12.2019         |
| Reserve for exceptional losses      | 4.01      | 202,200,769        | 166,753,498        |
| General reserve                     | 4.02      | 9,750,000          | 9,000,000          |
| Retained earnings                   | 4.03      | 74,695,254         | 62,102,610         |
| <b>Total reserves &amp; surplus</b> |           | <b>286,646,023</b> | <b>237,856,108</b> |

**4.01 Reserve for exceptional losses**

As per paragraph 6 of fourth schedule of Income Tax ordinance 1984. as earlier for the year 2020, 7.00% of the net premium income was transferred to reserve for exceptional losses. Details of calculation as hereunder:

|   |                    |                    |
|---|--------------------|--------------------|
| Opening balance   | 166,753,498        | 140,739,970        |
| Add: reserve made during the year (tax exempted) 4.1(a) | 35,447,271         | 26,013,528         |
| <b>Closing balance as on December 31, 2020</b>          | <b>202,200,769</b> | <b>166,753,498</b> |

**4.1(a) Class wise reserve for exceptional losses**

This represents profit set aside during the year under review at 7% of net premium allowed as expenses to meet exceptional losses. The aforesaid set aside of profit has been allowed as expenses by paragraph 6 of 4th schedule of the Income Tax Ordinance, 1984.

**Amount in Taka**

**December 31,  
2020**

**December 31,  
2019**

| Particulars                      | Net Premium        | % on Net Premium | Amount in Taka    |                   |
|----------------------------------|--------------------|------------------|-------------------|-------------------|
|                                  |                    |                  | 31.12.2020        | 31.12.2019        |
| Fire insurance business          | 186,570,686        | 7.00%            | 13,059,948        | 9,258,239         |
| Marine cargo insurance business  | 217,062,318        | 7.00%            | 15,194,362        | 8,935,866         |
| Marine hull insurance business   | 14,813,996         | 7.00%            | 1,036,980         | 989,710           |
| Motor insurance business         | 41,173,070         | 7.00%            | 2,882,115         | 3,765,994         |
| Miscellaneous insurance business | 46,769,514         | 7.00%            | 3,273,866         | 3,063,719         |
| <b>Total</b>                     | <b>506,389,584</b> |                  | <b>35,447,271</b> | <b>26,013,528</b> |

#### 4.02 General reserve

The Company has created a general reserve fund for avoiding any sudden fund crisis and contingency in future.

|  |                  |                  |
|--|------------------|------------------|
| Opening balance                                | 9,000,000        | 8,250,000        |
| Add: reserve made during the year              | 750,000          | 750,000          |
| <b>Closing balance as on December 31, 2020</b> | <b>9,750,000</b> | <b>9,000,000</b> |

#### 4.03 Retained earnings

|   |                    |                   |
|---|--------------------|-------------------|
| Opening balance of undistributed profit         | 62,102,610         | 40,811,745        |
| Less: issuance of bonus share for the year 2019 | 30,336,970         | 39,398,660        |
| Less: cash dividend paid for the year 2019      | 30,336,972         | -                 |
| Retained earnings from previous year            | 1,428,668          | 1,413,085         |
| Add: net profit during the year                 | 109,463,857        | 87,453,053        |
| <b>Total undistributed profit</b>               | <b>110,892,525</b> | <b>88,866,138</b> |

|  |                   |                   |
|--|-------------------|-------------------|
| Appropriation:                                 |                   |                   |
| Less: reserve for exceptional losses           | 35,447,271        | 26,013,528        |
| Less: general reserve                          | 750,000           | 750,000           |
| <b>Closing balance of undistributed profit</b> | <b>74,695,254</b> | <b>62,102,610</b> |

#### 5.00 Balance of funds and accounts

As per para 27A (2)(b) Insurance Act, 1938 for the purpose of sub-section (1) the Company has made necessary provision for un-expired risk reserve during the year @40% of net premium on Fire, Marine Cargo, Motor, Miscellaneous and 100% on Marine Hull business. Class wise un-expired risk reserve is as follows:

| Class of business | Net Premium        | Percentage | 31.12.2020         | 31.12.2019         |
|-------------------|--------------------|------------|--------------------|--------------------|
| Fire              | 186,570,686        | 40%        | 74,628,274         | 59,730,574         |
| Marine cargo      | 217,062,318        | 40%        | 86,824,927         | 57,650,750         |
| Marine hull       | 14,813,996         | 100%       | 14,813,996         | 15,963,070         |
| Motor             | 41,173,070         | 40%        | 16,469,228         | 24,296,735         |
| Miscellaneous     | 46,769,514         | 40%        | 18,707,806         | 19,765,930         |
| <b>Total</b>      | <b>506,389,584</b> |            | <b>211,444,231</b> | <b>177,407,059</b> |

**Amount in Taka**

**December 31, 2020**      **December 31, 2019**

**6.00 Premium deposits**

The above mentioned amount includes premium received against cover notes for which policies have not been issued within December 31, 2020. While the risks against non-marine and marine hull have been assumed from the issuance of cover notes, risk against marine cargo have not been assumed until shipment advices are provided and accordingly policies are issued.

|                |                   |                   |
|----------------|-------------------|-------------------|
| Fire           | 1,809,529         | 2,375,903         |
| Marine cargo   | 15,024,530        | 13,093,527        |
| Marine hull    | -                 | -                 |
| Motor          | -                 | -                 |
| Miscellaneous  | -                 | -                 |
| Stamp duty     | 2,025,834         | 1,778,484         |
| Excess deposit | 55,162            | 1,616,618         |
| <b>Total</b>   | <b>18,915,055</b> | <b>18,864,532</b> |

**7.00 Estimated liability in respect of outstanding claims whether due or intimated**

|               |                   |                   |
|---------------|-------------------|-------------------|
| Fire          | 15,675,610        | 33,433,855        |
| Marine cargo  | -                 | 3,108,659         |
| Marine hull   | 35,445,300        | -                 |
| Motor         | 961,325           | 2,872,097         |
| Miscellaneous | -                 | 1,137,295         |
| <b>Total</b>  | <b>52,082,235</b> | <b>40,551,906</b> |

All the claims of which the Company received intimations within December 31, 2020 have been taken into consideration while estimating the liability in respect of outstanding claims.

**8.00 Amount due to other persons or bodies carrying on insurance business**

This amount is payable to Shadharan Bima Corporation on account of re-insurance arrangements with them and to other local insurance companies under co-insurance premium. Break up of the amount is as under:

|                                   |                   |                   |
|-----------------------------------|-------------------|-------------------|
| Payable to SBC                    | 37,743,584        | 40,738,224        |
| Pioneer Insurance Company Limited | 561,000           | 561,000           |
| Others insurance company          | 163,724           | 163,724           |
| <b>Total</b>                      | <b>38,468,308</b> | <b>41,462,948</b> |

**8.00(a) Others insurance company**

|                                    |                |                |
|------------------------------------|----------------|----------------|
| Express Insurance Company Limited  | 122,980        | 122,980        |
| Reliance Insurance Company Limited | 40,744         | 40,744         |
|                                    | <b>163,724</b> | <b>163,724</b> |

**9.00 Lease liabilities (operating leases)**

Break up of the amount is as under:

|  |                  |                   |
|--|------------------|-------------------|
| Opening balance                                | 13,408,200       | -                 |
| Add: addition during the year                  | 4,343,830        | 21,238,222        |
| Add: finance cost during the year              | 904,046          | 1,294,466         |
| Less: payment during the year                  | 9,185,180        | 9,124,488         |
| <b>Closing balance as on December 31, 2020</b> | <b>9,470,896</b> | <b>13,408,200</b> |

|                               | Amount in Taka    |                   |
|-------------------------------|-------------------|-------------------|
|                               | December 31, 2020 | December 31, 2019 |
| <b>10.00 Payable for WPPF</b> |                   |                   |
| Opening balance               | 24,068,342        | 17,905,586        |
| Add: expenses for the year    | 7,705,234         | 6,162,756         |
| <b>Total</b>                  | <b>31,773,576</b> | <b>24,068,342</b> |

WPPF expenses made @ 5% on net profit before tax during the year as per Sec-234 of Bangladesh Labour (amendment) Act-2013. The Company has not yet established a Trustee Board to administer the Fund and as per Notification of Bangladesh Insurance Association (BIA-3(58)/2020-100 Dated: March 19, 2020) hence no payment was made during this year.

#### 11.00 Provision for income tax

|  |                    |                    |
|--|--------------------|--------------------|
| Opening balance                                  | 169,912,550        | 134,176,360        |
| Add: provision made during the year (Note:11.01) | 45,118,957         | 35,736,190         |
| Total tax liability                              | 215,031,507        | 169,912,550        |
| Less: adjustment made during the year            | -                  | -                  |
| Closing balance as on December 31, 2020          | <b>215,031,507</b> | <b>169,912,550</b> |

#### 11.01 Calculation of provision for income tax made during the year:

| Particulars  | Amount in Taka<br>December 31, 2020 |
|--|-------------------------------------|
| <b>Net Profit before tax as per Statement of Profit or Loss and Other Comprehensive Income</b> | 154,104,687                         |
| Less: reserve for exceptional losses   | 35,447,271                          |
| Add: accounting depreciation   | 9,169,460                           |
| Less: tax depreciation   | 9,397,191                           |
| Add: provision for gratuity fund   | 2,433,456                           |
| Less: employees gratuity fund paid   | 214,589                             |
| <b>Taxable income</b>  | <b>120,648,552</b>                  |

| Computation of current tax provision:<br>Particulars of income | Taxable<br>income  | Tax<br>rate | Current<br>tax provision |
|--|--------------------|-------------|--------------------------|
| Tax on dividend income   | 710,000            | 20%         | 142,000                  |
| Tax on business income and other income                        | 119,938,552        | 37.50%      | 44,976,957               |
| <b>Total Taka</b>  | <b>120,648,552</b> |             | <b>45,118,957</b>        |

#### 12.00 Sundry creditors

|   |          |            |            |
|---|----------|------------|------------|
| Salaries and allowances                                   |          | 14,216,838 | 11,800,830 |
| Security deposit (Against open policy)                    |          | 969,000    | 1,184,000  |
| Statutory Audit fees payable ( Rahman Mostafa Alam & Co.) |          | 308,000    | 280,000    |
| Compliance Audit fees payable ( T. Hussain & Co.)         |          | 40,000     | 40,000     |
| Audit fees payable (Special Audit)                        |          | 295,500    | 295,500    |
| Gazi Satellite Television Limited                         |          | -          | 1,000,000  |
| Gratuity fund   | 12.00(b) | 5,959,088  | 3,740,221  |
| Withholding tax deduction at source                       |          | 652,967    | 445,311    |
| Withholding tax against agent commission                  |          | 756,171    | 754,091    |
| Withholding vat deduction at source                       |          | 895,195    | 1,035,035  |
| Liability vat December, 2020                              |          | 8,315,443  | 11,603,631 |

|  |          | Amount in Taka       |                      |
|--|----------|----------------------|----------------------|
|  |          | December 31,<br>2020 | December 31,<br>2019 |
| Provident fund employees contribution        |          | 279,775              | 237,446              |
| Provident fund employers contribution        |          | 279,775              | 237,446              |
| Provident fund loan recovery                 |          | 210,434              | 311,332              |
| Unclaimed dividend (2019)                    |          | 457,156              | -                    |
| HR Holdings Limited (Electric and wasa bill) |          | 197,083              | 152,072              |
| Share application money (GP & NRB)           | 12.00(a) | 3,371,353            | 3,371,353            |
| Lease advance realization                    |          | 2,698,908            | 1,593,898            |
| Office rent & service charges                |          | -                    | 62,856               |
| <b>Total</b>                                 |          | <b>39,902,686</b>    | <b>38,145,022</b>    |

**12.00(a)** As per rules of SEC for IPO issue, RICL issued all refund warrants to the unsuccessful application for the year 2008 out of which Tk.3,371,353 (General Public Tk.3,034,463 & Non-resident Bangladeshi (NRB) equivalent to BDT-336,890) have not been encashed prior to December 31, 2020.

**12.00(b) Provision for gratuity fund**

|  |                  |                  |
|--|------------------|------------------|
| Opening balance                          | 3,740,221        | 4,964,265        |
| Add: provision made during the year      | 2,433,456        | 1,800,000        |
|  | <u>6,173,677</u> | <u>6,764,265</u> |
| Less: paid during the year               | 214,589          | 3,024,044        |
| <b>Total provision for gratuity fund</b> | <b>5,959,088</b> | <b>3,740,221</b> |

The Company has made provision for employees gratuity fund during the year "As per provision of service rules of the Company under Sec.5.12 ". The service rules of Republic Insurance Company Limited approved by the Board of Directors on January 03, 2013 as per service rules Sec 5.12 (Note-A) gratuity shall be recognized from 1st July, 2004 ) & IAS-19 under employees retirement benefit scheme. Balance of Tk. 59,59,088 shown on sundry creditors account.

**13.00 Property, plant & equipment**

|  |                    |                    |
|--|--------------------|--------------------|
| A. Cost price:   |                    |                    |
| Cost of fixed assets as on January 1, 2020               | 100,951,409        | 91,686,519         |
| Add: addition during the year                            | 6,867,510          | 15,584,890         |
| Less: adjustment / disposal during the year              | -                  | (6,320,000)        |
| Cost of fixed assets as on December 31, 2020             | <u>107,818,919</u> | <u>100,951,409</u> |
| B. Accumulated depreciation:                             |                    |                    |
| Accumulated depreciation balance as on January 1, 2020   | 43,211,179         | 39,049,182         |
| Add: depreciation during the year                        | 8,767,194          | 8,866,989          |
| Less: adjustment/ disposal during the year               | -                  | (4,704,992)        |
| Accumulated depreciation balance as on December 31, 2020 | <u>51,978,373</u>  | <u>43,211,179</u>  |
| <b>Written down value as on December 31, 2020 (A-B)</b>  | <b>55,840,546</b>  | <b>57,740,230</b>  |

A schedule of property, plant & equipment has been given in Annexure-A.

**13.01 Intangible assets**

|   |                  |                  |
|---|------------------|------------------|
| Opening balance as on January 01, 2020            | 2,270,230        | 1,226,010        |
| Add: addition during the year                     | 420,000          | 1,044,220        |
|   | <u>2,690,230</u> | <u>2,270,230</u> |
| Less: accumulated amortization                    | 1,246,368        | 977,493          |
| <b>Written down value as on December 31, 2020</b> | <b>1,443,862</b> | <b>1,292,737</b> |

A schedule of intangible assets has been given in Annexure-B.

**Amount in Taka**

**December 31, 2020**      **December 31, 2019**

**13.02 Right-of-use assets**

|   |                   |                   |
|---|-------------------|-------------------|
| A. Cost   | 24,181,056        | -                 |
| Add: addition during the year                           | 4,463,831         | 24,181,056        |
| Cost of right-of-use assets as on December 31, 2020     | 28,644,887        | 24,181,056        |
| B. Accumulated depreciation:                            |                   |                   |
| Accumulated depreciation balance as on January 01, 2020 | 9,278,463         | -                 |
| Add: depreciation charged during the year               | 9,230,220         | 9,278,463         |
| Accumulated depreciation as on December 31, 2020        | 18,508,683        | 9,278,463         |
| <b>Written down value as on December 31, 2020 (A-B)</b> | <b>10,136,204</b> | <b>14,902,593</b> |

A schedule of right-of-use assets has been given in Annexure-C.

**14.00 Investment in government treasury bond and securities**

**14.01 Investment in government treasury bond:**

A sum of Tk. 25,000,000 was invested in Bangladesh bank govt. treasury bond at cost kept with Jamuna bank Limited as statutory deposit as required under section 23 and 24 of the Insurance Act. 2010 (The First schedule item 2 (B)). The details of the investment is as follows:

| Nature of Security | ISIN No.     | Interest Rate | Issue date | Maturity date | Amount (Tk.)      |
|--------------------|--------------|---------------|------------|---------------|-------------------|
| 10YBGTB            | BD0923301107 | 12%           | 13.02.2013 | 13.02.2023    | 16,000,000        |
| 10YBGTB            | BD0929061101 | 9.27%         | 21.08.2019 | 21.08.2029    | 9,000,000         |
| <b>Total (a)</b>   |              |               |            |               | <b>25,000,000</b> |

**14.02 Investment in government securities:**

| Nature of Security       | ISIN No.     | Interest Rate | Issue date | Maturity date | Amount (Tk.)      |
|--------------------------|--------------|---------------|------------|---------------|-------------------|
| 10YBGTB                  | BD0930261104 | 9.15%         | 22.01.2020 | 22.01.2030    | 5,000,000         |
| 10YBGTB                  | BD0929221101 | 9.23%         | 18.12.2019 | 18.12.2029    | 3,200,000         |
| 10YBGTB                  | BD0929221101 | 9.23%         | 18.12.2019 | 18.12.2029    | 2,100,000         |
| 10YBGTB                  | BD0930431103 | 8.66%         | 17.06.2020 | 17.06.2030    | 5,000,000         |
| 10YBGTB                  | BD0930031101 | 7.89%         | 22.07.2020 | 22.07.2030    | 5,000,000         |
| 10YBGTB                  | BD0930141108 | 5.63%         | 21.10.2020 | 21.10.2030    | 12,000,000        |
| <b>Total (b)</b>         |              |               |            |               | <b>32,300,000</b> |
| <b>Grand Total (a+b)</b> |              |               |            |               | <b>57,300,000</b> |

Above mentioned amount represent investment in Bangladesh Bank Govt. securities with Jamuna Bank Limited as required under section 41 & 148 of the Insurance Act. 2010 and S.R.O.No.353-Act/2019. As per requirement of the said SRO the Company need to investment Tk. 47,031,637. As the circular published in the before the last month of the year and due to lack of fund it couldn't be possible to investment the said amount. The Company made investment Tk. 32,300,000 and in process to cover up the required investment in shortest possible time.

## Amount in Taka

December 31,  
2020December 31,  
2019

## 15.00 Investment in shares at market value

| Name of the Company                  | No. of Shares as on 31.12.2020 | Average cost as on 31.12.2020 | Market price as on 31.12.2020 | Value at cost as on 31.12.2020 | Fair market value as on 31.12.2020 | Profit / (Loss)  |
|--------------------------------------|--------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------------|------------------|
| ACI Limited                          | 1,885                          | 21.21                         | 246.00                        | 39,980                         | 463,710                            | 423,730          |
| Beximco Limited                      | 6,491                          | 24.67                         | 57.00                         | 160,152                        | 369,987                            | 209,835          |
| DESCO                                | 1,526                          | 14.12                         | 34.80                         | 21,550                         | 53,105                             | 31,555           |
| Exim Bank Limited                    | 3,764                          | 2.01                          | 11.80                         | 7,575                          | 44,415                             | 36,840           |
| ICB Islamic Bank Limited             | 10,900                         | 10.00                         | 4.30                          | 109,000                        | 46,870                             | (62,130)         |
| IFIC Bank Limited                    | 44,455                         | 17.42                         | 15.20                         | 774,590                        | 675,716                            | (98,874)         |
| Islami Bank (BD) Limited             | 996                            | 12.08                         | 26.80                         | 12,030                         | 26,693                             | 14,663           |
| Lafarge Surma Cement Limited         | 3,000                          | 24.67                         | 47.80                         | 74,016                         | 143,400                            | 69,384           |
| Mercantile Bank Limited              | 29,820                         | 9.28                          | 12.70                         | 276,800                        | 378,714                            | 101,914          |
| Mutual Trust Bank Limited            | 33,286                         | 10.05                         | 24.10                         | 334,500                        | 802,193                            | 467,693          |
| National Bank Limited                | 43,200                         | 6.91                          | 7.00                          | 298,300                        | 302,400                            | 4,100            |
| NCC Bank Limited                     | 68,630                         | 19.01                         | 13.20                         | 1,304,325                      | 905,916                            | (398,409)        |
| One Bank Limited                     | 18,569                         | 8.53                          | 10.60                         | 158,350                        | 196,831                            | 38,481           |
| Phoenix Finance & Investment Limited | 5,646                          | 86.90                         | 27.50                         | 490,610                        | 155,265                            | (335,345)        |
| Premier Bank Limited                 | 18,932                         | 6.87                          | 11.00                         | 130,000                        | 208,252                            | 78,252           |
| Pubali Bank Limited                  | 6,207                          | 37.58                         | 24.10                         | 233,268                        | 149,589                            | (83,679)         |
| Southeast Bank Limited               | 23,075                         | 10.62                         | 12.50                         | 245,089                        | 288,438                            | 43,349           |
| Standard Bank Limited                | 8,221                          | 3.64                          | 8.30                          | 29,896                         | 68,234                             | 38,338           |
| Summit Power Limited                 | 922                            | 3.04                          | 38.90                         | 2,800                          | 35,866                             | 33,066           |
| United Commercial Bank Limited       | 18,736                         | 21.59                         | 14.10                         | 404,500                        | 264,178                            | (140,322)        |
| The ACME Laboratories Limited        | 128,561                        | 85.20                         | 74.70                         | 10,953,397                     | 9,603,507                          | (1,349,890)      |
| <b>Total</b>                         | <b>476,822</b>                 |                               |                               | <b>16,060,728</b>              | <b>15,183,277</b>                  | <b>(877,451)</b> |

## 15.00(a) Change in fair value of marketable securities

|  |                  |                    |
|--|------------------|--------------------|
| Fair value of investment in shares   | 15,183,277       | 12,497,786         |
| Less: cost price of the investment   | 16,060,728       | 16,060,728         |
| Total unrealised profit/(loss) at the end of the year                                      | (877,451)        | (3,562,942)        |
| Total unrealised profit/(loss) recognized at the beginning of the year                     | (3,562,942)      | 599,024            |
| Fair value profit /(loss) made during the year<br>(recognized in profit or loss statement) | <b>2,685,491</b> | <b>(4,161,966)</b> |

## 16.00 Stock of printing &amp; stationery and stamp in hand

|               |                  |                  |
|---------------|------------------|------------------|
| Printing      | 776,166          | 1,111,758        |
| Stationery    | 14,845           | 25,208           |
| Stamp in hand | 2,498,152        | 2,094,748        |
| <b>Total</b>  | <b>3,289,163</b> | <b>3,231,714</b> |

**Amount in Taka**

**December 31, 2020**      **December 31, 2019**

**17.00 Amount due from other persons or bodies carrying on insurance business**

This balance represents receivable from Sadharan Bima Corporation (SBC) and other insurance companies on account of claims recoverable, Public sector business, Engineering surplus treaty & Co-insurance business. Break up of the amount is as under:

|  |                    |                    |
|--|--------------------|--------------------|
| Receivable from Sadharan Bima Corporation                              | 243,423,354        | 231,637,698        |
| Receivable from others insurance company against co-insurance business | 1,067,541          | 1,874,252          |
| <b>Total</b>   | <b>244,490,895</b> | <b>233,511,950</b> |

**17.00(a) Details of receivable against co-insurance business**

|  |                  |                  |
|--|------------------|------------------|
| City General Insurance Company Limited | -                | 806,711          |
| Asia Pacific Insurance Company Limited | 265,073          | 265,073          |
| Karnaphuli Insurance Company Limited   | 14,926           | 14,926           |
| Reliance Insurance Company Limited     | 39,195           | 39,195           |
| Green Delta Insurance Company Limited  | 375,119          | 375,119          |
| Progati Insurance Company Limited      | 120,579          | 120,579          |
| Union Insurance Company Limited        | 210,499          | 210,499          |
| Federal Insurance Company Limited      | 42,150           | 42,150           |
|  | <b>1,067,541</b> | <b>1,874,252</b> |

**18.00 Interest accrued**

**Accrued interest on FDR**

|                                      |                   |                   |
|--------------------------------------|-------------------|-------------------|
| Opening balance                      | 16,333,644        | 20,940,772        |
| Add: accrued during the year         | 34,009,673        | 29,247,840        |
| Less: received during the year       | 33,991,079        | 33,854,968        |
| <b>Total accrued interest on FDR</b> | <b>16,352,238</b> | <b>16,333,644</b> |

**Accrued interest on treasury bond**

|  |                |                |
|--|----------------|----------------|
| Opening balance                                | 923,224        | 1,047,277      |
| Add: accrued during the year                   | 2,754,300      | 2,646,447      |
| Less: received during the year                 | 2,754,300      | 2,770,500      |
| <b>Total accrued interest on treasury bond</b> | <b>923,224</b> | <b>923,224</b> |

**Accrued interest on Govt. securities**

|   |                |          |
|---|----------------|----------|
| Opening balance                                   | -              | -        |
| Add: accrued during the year                      | 1,461,178      | -        |
| Less: received during the year                    | 934,440        | -        |
| <b>Total accrued interest on Govt. securities</b> | <b>526,738</b> | <b>-</b> |

|              |                   |                   |
|--------------|-------------------|-------------------|
| <b>Total</b> | <b>17,802,200</b> | <b>17,256,868</b> |
|--------------|-------------------|-------------------|

|   |   | Amount in Taka       |                      |
|---|---|----------------------|----------------------|
|   |   | December 31,<br>2020 | December 31,<br>2019 |
| <b>19.00</b>  | <b>Sundry debtors (including advances, deposits and pre-payments)</b> |                      |                      |
| The following items are unsecured but considered as good and this consists of as follows: |   |                      |                      |
|   | Advance office rent (Branches)  | 508,340              | -                    |
|   | Advance office rent (Head office)                                     | -                    | 205,004              |
|   | Advance CNG conversion  | 5,250                | 5,250                |
|   | Advance printing  | 1,800,000            | 1,500,000            |
|   | Advance income tax  | 266,866,803          | 218,964,264          |
|   | Advance for office space purchase                                     | 9,422,900            | 9,422,900            |
|   | Advance against legal fees  | 210,000              | 210,000              |
|   | Advance against salary  | 277,000              | 687,328              |
|   | Advance against computer software                                     | 390,000              | -                    |
|   | Advance against office equipment                                      | 300,000              | -                    |
|   | Advance against air conditioner                                       | 200,000              | -                    |
|   | Advance against office decoration                                     | 5,550,200            | 5,450,200            |
|   | Advance against vehicle purchase                                      | 124,000              | 124,000              |
|   | Advance against picnic and travelling expenses                        | -                    | 2,170,000            |
|   | Advance against agent commission and others                           | 1,539,479            | 3,570,762            |
|   | Collection control accounts   | 88,279,770           | 66,138,628           |
|   | Deposit clearing  | 5,548,632            | 6,601,197            |
|   | Short deposit   | 5,636,974            | 6,562,645            |
|   | Security deposit (Telephone)  | 75,600               | 75,600               |
|   | Security deposit ( Office rent)                                       | 2,567,000            | 2,174,000            |
|   | <b>Total</b>  | <b>389,301,948</b>   | <b>323,861,778</b>   |
| <b>19.00(a)</b>   | Opening balance   | 218,964,264          | 188,941,132          |
|   | Add: payment during the year  |                      |                      |
|   | Deduction at source during the year, 2020                             | 3,750,539            | 3,583,966            |
|   | Advance payment against assessment year (2015-2016)                   | -                    | 1,200,000            |
|   | Advance payment against assessment year (2016-2017)                   | 5,712,000            | -                    |
|   | Advance payment against assessment year (2019-2020)                   | -                    | 12,964,166           |
|   | Advance payment against assessment year (2020-2021)                   | 20,000,000           | 12,000,000           |
|   | Advance payment against assessment year (2021-2022)                   | 18,000,000           | -                    |
|   | Advance income tax against car registration                           | 440,000              | 275,000              |
|   | Total advance income tax payment during the year                      | <b>47,902,539</b>    | <b>30,023,132</b>    |
|   | <b>Balance as at December 31, 2020</b>                                | <b>266,866,803</b>   | <b>218,964,264</b>   |
| <b>19.00(b)</b>   | <b>Deduction at source during the year</b>                            |                      |                      |
|   | FDR interest  | 3,402,429            | 3,410,131            |
|   | STD/SND account interest  | 102,907              | 83,842               |
|   | Cash dividend income  | 141,852              | 89,993               |
|   | Government treasury bond  | 68,858               | -                    |
|   | Government securities   | 34,493               | -                    |
|   |   | <b>3,750,539</b>     | <b>3,583,966</b>     |

|   | Amount in Taka    |                   |
|---|-------------------|-------------------|
|   | December 31, 2020 | December 31, 2019 |
| <b>19.00(c) Advance income tax (car registration)</b> |                   |                   |
| Advance income tax car registration-2020              | 440,000           | 275,000           |

**19.00(d)** The Company paid as advance for purchase of 1289 sft floor space at IPL SF Tower at Agrabad C/A, Chattogram. Total Advance paid up to December 31, 2020 Tk. 9,422,900. Which is not yet handed over for use.

**20.00 Fixed deposit with banks**

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
| Opening balance                  | 436,610,111        | 393,365,850        |
| Add: addition during the year    | 23,110,013         | 127,080,567        |
| Less: encashment during the year | 5,000,000          | 83,836,306         |
| <b>Total</b>                     | <b>454,720,124</b> | <b>436,610,111</b> |

**Statement of bank wise fixed deposit account:**

|                                    |            |            |
|------------------------------------|------------|------------|
| AB Bank Limited                    | 900,000    | 900,000    |
| Al Arafah Islami Bank Limited      | 23,200,000 | 23,700,000 |
| Agrani Bank Limited                | 1,000,000  | 1,000,000  |
| Bangladesh Commerce Bank Limited   | 18,800,000 | 18,800,000 |
| Brac Bank Limited                  | 10,466,625 | 10,373,899 |
| Bangladesh Krishi Bank             | 1,400,000  | 1,400,000  |
| Bank Asia Limited                  | 15,800,500 | 15,800,500 |
| The City Bank Limited              | 1,700,000  | 1,700,000  |
| Dhaka Bank Limited                 | 3,200,000  | 6,200,000  |
| Dutch Bangla Bank Limited          | 2,000,699  | 2,000,699  |
| EXIM Bank Limited                  | 39,600,000 | 39,600,000 |
| Eastern Bank Limited               | 3,997,491  | 3,980,204  |
| First Security Islami Bank Limited | 6,700,000  | 5,700,000  |
| IFIC Bank Limited                  | 11,700,000 | 11,700,000 |
| Islami Bank (BD) Limited           | 20,000,000 | 20,500,000 |
| Jamuna Bank Limited                | 32,000,000 | 30,000,000 |
| Mutual Trust Bank Limited          | 6,300,000  | 6,300,000  |
| Mercantile Bank Limited            | 10,500,000 | 10,500,000 |
| NCC Bank Limited                   | 10,500,000 | 10,500,000 |
| National Bank Limited              | 6,300,000  | 5,300,000  |
| NRB Commercial Bank Limited        | 14,000,000 | 14,000,000 |
| NRB Global Bank Limited            | 19,000,000 | 19,000,000 |
| NRB Bank Limited                   | 1,000,000  | 1,000,000  |
| One Bank Limited                   | 7,000,000  | 7,000,000  |
| Prime Bank Limited                 | 5,854,809  | 5,854,809  |
| Pubali Bank Limited                | 11,100,000 | 9,100,000  |
| The Premier Bank Limited           | 10,600,000 | 9,600,000  |
| GSP Finance Co.BD Limited          | 1,000,000  | 1,000,000  |
| Lanka Bangla Finance Limited       | 3,000,000  | 3,000,000  |
| Social Islami Bank Limited         | 62,200,000 | 58,200,000 |
| Standard Bank Limited              | 27,500,000 | 21,500,000 |
| Shahjalal Islami Bank Limited      | 19,100,000 | 16,100,000 |
| Southeast Bank Limited             | 13,100,000 | 13,100,000 |
| The Trust Bank Limited             | 4,000,000  | 3,000,000  |

|                                   | Amount in Taka     |                    |
|-----------------------------------|--------------------|--------------------|
|                                   | December 31, 2020  | December 31, 2019  |
| Uttara Bank Limited               | 200,000            | 200,000            |
| Janata bank Limited               | 500,000            | 500,000            |
| Rajshai Krishi Unnayn Bank        | 5,500,000          | 5,500,000          |
| State Bank of India               | 3,000,000          | 3,000,000          |
| Bangladesh Development Bank (BDB) | 500,000            | 500,000            |
| United Commercial Bank Limited    | 12,000,000         | 12,000,000         |
| SBAC Bank Limited                 | 3,500,000          | 2,500,000          |
| Madhumoti Bank Limited            | 2,000,000          | 2,000,000          |
| Meghna Bank Limited               | 3,000,000          | 3,000,000          |
| <b>Total</b>                      | <b>454,720,124</b> | <b>436,610,111</b> |

#### 21.00 Cash and cash equivalents

|              |            |                    |                   |
|--------------|------------|--------------------|-------------------|
| Cash at bank | Annexure-D | 109,703,176        | 62,078,212        |
| Cash in hand | Annexure-E | 2,782,489          | 1,959,821         |
| <b>Total</b> |            | <b>112,485,665</b> | <b>64,038,033</b> |

Cash at bank is inclusive of refund warrants of Tk.3,371,353 out of which issued to the unsuccessful applicants against IPO but not encashed prior to December 31, 2020 lying with STD Account of the The City Bank Limited, Principal Branch, Dhaka.

#### 22.00 Interest income

##### Interest received:

|                          |                   |                   |
|--------------------------|-------------------|-------------------|
| FDR interest             | 17,657,435        | 12,914,196        |
| STD/SND account interest | 1,029,222         | 834,785           |
| Government treasury bond | 1,831,076         | 1,723,223         |
| Government securities    | 934,440           | -                 |
| <b>Total</b>             | <b>21,452,173</b> | <b>15,472,204</b> |

##### Accrued interest:

|                          |                   |                   |
|--------------------------|-------------------|-------------------|
| FDR interest             | 16,352,238        | 16,333,644        |
| Government treasury bond | 923,224           | 923,224           |
| Government securities    | 526,738           | -                 |
| <b>Total</b>             | <b>17,802,200</b> | <b>17,256,868</b> |

#### 23.00 Share investment and dividend income

|   |          |                  |                    |
|---|----------|------------------|--------------------|
| Change in fair value of marketable securities | 15.00(a) | 2,685,491        | (4,161,966)        |
| Cash dividend                                 |          | 710,000          | 508,630            |
| <b>Total</b>                                  |          | <b>3,395,491</b> | <b>(3,653,336)</b> |

#### 24.00 Other income

|  |          |                  |                  |
|--|----------|------------------|------------------|
| Disposal gain /(loss) of fixed assets      | 24.00(a) | -                | 1,314,992        |
| Service charges (co-insurance)             |          | 1,050,524        | 789,100          |
| Policy cancelled charges                   |          | 22,900           | 17,500           |
| Foreign currency translation gain /( loss) |          | (361)            | 12,481           |
| Other income                               |          | 1,214,307        | 254,500          |
| <b>Total</b>                               |          | <b>2,287,370</b> | <b>2,388,573</b> |

|  | Amount in Taka       |                      |
|--|----------------------|----------------------|
|  | December 31,<br>2020 | December 31,<br>2019 |
| <b>24.00(a) Disposal gain/(loss) of fixed assets</b> |                      |                      |
| <b>a. Sale of vehicle:</b>                           |                      |                      |
| Cost of vehicles                                     | -                    | 3,720,000            |
| Accumulated depreciation                             | -                    | 2,854,660            |
| Written down value                                   | -                    | 865,340              |
| Disposal proceeds                                    | -                    | 1,500,000            |
| <b>Gain/ (loss) on sale of vehicle</b>               | -                    | <b>634,660</b>       |
| <b>b. Disposal/(transfer) of lease vehicles:</b>     |                      |                      |
| Cost of lease vehicles                               | -                    | 2,600,000            |
| Accumulated depreciation                             | -                    | 1,850,332            |
| Written down value                                   | -                    | 749,668              |
| Disposal proceeds /Lease advance realized            | -                    | 1,430,000            |
| <b>Disposal gain /(loss) of lease vehicles</b>       | -                    | <b>680,332</b>       |
| <b>Total disposal gain /(loss) of fixed assets</b>   | -                    | <b>1,314,992</b>     |

## 25.00 Deferred tax

The impact on account of changes in the deferred tax assets/liabilities for the year ended on December 31,2020 has been recognised in the statement of profit or loss and other comprehensive income and in the statement of financial position as per "IAS-12 Income Taxes".

|  |                  |                  |
|--|------------------|------------------|
| Property, plant and equipment at tax base(excluding land)        | 50,189,679       | 52,299,360       |
| Property, plant and equipment at accounting base(excluding land) | 52,246,372       | 54,128,322       |
| Taxable temporary difference                                     | (2,056,693)      | (1,828,962)      |
| Permanent difference of vehicles                                 | 7,230,000        | 7,230,000        |
|  | 5,173,307        | 5,401,038        |
| Tax rate   | 37.50%           | 37.50%           |
| Deferred tax assets/ (liability)                                 | 1,939,990        | 2,025,389        |
| Gratuity provision at accounting base                            | 5,959,088        | 3,740,221        |
| Gratuity provision at tax base                                   | -                | -                |
| Deductible temporary difference                                  | 5,959,088        | 3,740,221        |
| Tax rate   | 37.50%           | 37.50%           |
| Deferred tax assets/ (liability)                                 | 2,234,658        | 1,402,583        |
| Marketable security at tax base                                  | 16,060,728       | 16,060,728       |
| Marketable security at accounting base                           | 15,183,277       | 12,497,786       |
| Deductible temporary difference                                  | 877,451          | 3,562,942        |
| Tax rate   | 10.00%           | 10.00%           |
| Deferred tax assets/ (liability)                                 | 87,745           | 356,294          |
| Deferred tax assets  | <b>4,262,393</b> | <b>3,784,266</b> |
| Deferred tax (expenses)/ income for the year                     | <b>478,127</b>   | <b>(65,883)</b>  |

**Amount in Taka**

**December 31, 2020**      **December 31, 2019**

**26.00 Premium less re-insurance**

| Class of business | Premium earned     |                        | Total Premium earned | Less: Re-insurance premium ceded |                        |                    | Amount in Tk.      | Amount in Tk.      |
|-------------------|--------------------|------------------------|----------------------|----------------------------------|------------------------|--------------------|--------------------|--------------------|
|                   | Direct business    | Public sector business |                      | Direct business                  | Public sector business | Total              | 31.12.2020         | 31.12.2019         |
| 1                 | 2                  | 3                      | 4=(2+3)              | 5                                | 6                      | 7=(5+6)            | 8=(4-7)            | 9                  |
| Fire              | 355,547,143        | 12,973,324             | 368,520,467          | 170,680,183                      | 11,269,598             | 181,949,781        | 186,570,686        | 149,326,435        |
| Marine cargo      | 232,257,543        | 21,519,437             | 253,776,980          | 20,345,112                       | 16,369,550             | 36,714,662         | 217,062,318        | 144,126,874        |
| Marine hull       | 40,534,125         | 1,226,220              | 41,760,345           | 25,744,896                       | 1,201,453              | 26,946,349         | 14,813,996         | 15,963,070         |
| Motor             | 43,802,865         | 2,852,598              | 46,655,463           | 5,482,393                        | -                      | 5,482,393          | 41,173,070         | 60,741,838         |
| Miscellaneous     | 46,085,093         | 23,217,872             | 69,302,965           | -                                | 22,533,451             | 22,533,451         | 46,769,514         | 49,414,824         |
| <b>Total Taka</b> | <b>718,226,769</b> | <b>61,789,451</b>      | <b>780,016,220</b>   | <b>222,252,584</b>               | <b>51,374,052</b>      | <b>273,626,636</b> | <b>506,389,584</b> | <b>419,573,041</b> |

**27.00 Commission on re-insurance ceded**

| Class of business | Commission on re-insurance ceded |                        | Amount in Taka    |                   |
|-------------------|----------------------------------|------------------------|-------------------|-------------------|
|                   | Direct business                  | Public sector business | 31.12.2020        | 31.12.2019        |
| Fire              | 45,226,010                       | 1,261,260              | 46,487,270        | 46,528,542        |
| Marine cargo      | 6,103,533                        | 3,273,910              | 9,377,443         | 9,493,473         |
| Marine hull       | 1,386,382                        | 66,080                 | 1,452,462         | 219,078           |
| Motor             | 1,370,599                        | -                      | 1,370,599         | 144,588           |
| Miscellaneous     | -                                | 2,264,623              | 2,264,623         | 6,243,325         |
| <b>Total Taka</b> | <b>54,086,524</b>                | <b>6,865,873</b>       | <b>60,952,397</b> | <b>62,629,006</b> |

**28.00 Profit Commission**

| Class of business | Profit Commission |                        | Amount in Taka |                  |
|-------------------|-------------------|------------------------|----------------|------------------|
|                   | Direct business   | Public sector business | 31.12.2020     | 31.12.2019       |
| Fire              | -                 | -                      | -              | 2,513,578        |
| Marine cargo      | -                 | -                      | -              | 2,119,298        |
| Marine hull       | -                 | -                      | -              | -                |
| Motor             | -                 | -                      | -              | -                |
| Miscellaneous     | -                 | -                      | -              | -                |
| <b>Total Taka</b> | <b>-</b>          | <b>-</b>               | <b>-</b>       | <b>4,632,876</b> |

**29.00 Expenses of management**

**Amount in Taka**

**December 31, 2020**      **December 31, 2019**

**Class of business**

|               |                    |                    |
|---------------|--------------------|--------------------|
| Fire          | 104,714,176        | 90,387,980         |
| Marine cargo  | 72,092,109         | 51,062,220         |
| Marine hull   | 11,856,526         | 4,920,507          |
| Motor         | 13,252,714         | 17,556,827         |
| Miscellaneous | 19,701,778         | 27,531,861         |
| <b>Total</b>  | <b>221,617,303</b> | <b>191,459,395</b> |

**Allocation of management expenses:**

| Class of business | Gross premium income | Percentage (%) 2020 | Amount in Taka     |                    |
|-------------------|----------------------|---------------------|--------------------|--------------------|
|                   |                      |                     | 31.12.2020         | 31.12.2019         |
| Fire              | 368,520,467          | 47.25               | 104,714,176        | 90,387,980         |
| Marine cargo      | 253,776,980          | 32.53               | 72,092,109         | 51,062,220         |
| Marine hull       | 41,760,345           | 5.35                | 11,856,526         | 4,920,507          |
| Motor             | 46,655,463           | 5.98                | 13,252,714         | 17,556,827         |
| Miscellaneous     | 69,302,965           | 8.89                | 19,701,778         | 27,531,861         |
| <b>Total</b>      | <b>780,016,220</b>   | <b>100.00</b>       | <b>221,617,303</b> | <b>191,459,395</b> |

**Expenses of management**

This consists of the following:

|   |             |             |
|---|-------------|-------------|
| Salary & allowances                     | 150,751,487 | 121,811,409 |
| Bonus (Eid-ul-Fitre, Eid-ul -Azha'2020) | 15,029,137  | 13,221,333  |
| Photocopy bill                          | 244,182     | 311,701     |
| Procurement provider                    | 3,884,413   | 4,157,223   |
| Stationery                              | 763,346     | 863,762     |
| Postage                                 | 321,801     | 281,185     |
| Revenue stamp                           | 341,030     | 388,865     |
| Entertainment                           | 1,497,961   | 1,020,863   |
| Conveyance                              | 850,960     | 915,235     |
| Electric bill                           | 1,838,669   | 1,949,882   |
| Electric expenses                       | 108,007     | 103,565     |
| Telephone expenses                      | 5,350       | 58,400      |
| Telephone bill                          | 245,616     | 353,592     |
| Computer expenses                       | 607,120     | 766,479     |
| Currier bill                            | 12,065      | 30,318      |
| Generator fuel                          | 49,435      | 77,338      |
| Wasa bill                               | 457,966     | 678,768     |
| Paper & periodicals                     | 74,770      | 99,062      |
| Car fuel                                | 1,218,603   | 1,330,652   |
| Repairs & maintenance (car)             | 560,766     | 1,128,798   |
| Office maintenance                      | 3,214,246   | 1,920,310   |
| Repairs & maintenance (others)          | 473,969     | 689,787     |
| Gift item                               | 206,387     | 85,560      |
| Miscellaneous expenses                  | 833,830     | 320,410     |
| Travelling expenses                     | 1,605,042   | 1,521,190   |

|                                       | Amount in Taka       |                      |
|---------------------------------------|----------------------|----------------------|
|                                       | December 31,<br>2020 | December 31,<br>2019 |
| Service charges(co-insurance)         | 1,093,906            | 705,111              |
| Uniform expenses                      | 243,870              | 258,550              |
| Internet bill                         | 337,730              | 506,065              |
| Office rent                           | 10,248,303           | 10,434,243           |
| Depreciation                          | 9,230,220            | 9,278,463            |
| Finance cost                          | 904,046              | 1,294,466            |
| Service charges (rent)                | 150,529              | 159,294              |
| Bank charges                          | 1,339,300            | 1,167,534            |
| Insurance premium                     | 788,794              | 849,694              |
| IT expenses                           | 794,038              | 1,042,680            |
| Washing allowance                     | 93,800               | 100,150              |
| Service benefit                       | 1,320,664            | 1,491,760            |
| Picnic expenses                       | 1,811,622            | -                    |
| Group insurance                       | -                    | 1,245,192            |
| Management expenses (Govt. business)  | 4,634,209            | 5,750,029            |
| Business expenses (Govt. business)    | 48,888               | 48,889               |
| Provident fund employers contribution | 3,381,226            | 3,041,588            |
| <b>Total</b>                          | <b>221,617,303</b>   | <b>191,459,395</b>   |

### 30.00 Schedule of vat payments: Tk.nil

|  |            |            |
|--|------------|------------|
| Opening balance                                  | -          | -          |
| Add:   |            |            |
| Vat payment to Govt. during the year 2020        | 61,378,367 | 50,488,900 |
| Payment against outstanding vat (December, 2020) | 8,315,443  | 11,603,631 |
|  | 69,693,810 | 62,092,531 |
| Less: Vat collected during the year 2020         | 69,693,810 | 62,092,531 |
| <b>Total</b>                                     | <b>-</b>   | <b>-</b>   |

### 31.00 Earnings per share

#### 31.01 Basic earnings per share

Details calculations are as follows:

|  |             |             |
|--|-------------|-------------|
| Earnings attributable to ordinary shareholders (Net profit after tax)  | 109,463,857 | 87,453,053  |
| Ordinary shares as at 1st January                                      | 43,338,531  | 39,398,665  |
| Bonus shares issued  | 3,033,697   | 3,939,866   |
| Weighted average number of ordinary shares outstanding during the year | 46,372,228  | 43,338,531  |
| Weighted average number of ordinary shares (Restated)                  | 46,372,228  | 46,372,228  |
| <b>Basic earnings per share (Restated)</b>                             | <b>2.36</b> | <b>1.89</b> |

### 32.00 Net assets value per share

Net assets per share has been calculated based on weighted average number of 4,63,72,228 shares outstanding as at December 31, 2020 after giving the effect of 7.00% bonus shares declared for the year 2019. Details calculations are as follows :

|  | Amount in Taka       |                      |
|--|----------------------|----------------------|
|  | December 31,<br>2020 | December 31,<br>2019 |
| Net assets   | 750,368,303          | 671,241,418          |
| Ordinary shares as at 1st January                                      | 43,338,531           | 39,398,665           |
| Bonus shares issued  | 3,033,697            | 3,939,866            |
| Weighted average number of ordinary shares outstanding during the year | 46,372,228           | 43,338,531           |
| Weighted average number of ordinary shares                             | 46,372,228           | 43,338,531           |
| <b>Net assets value per share</b>                                      | <b>16.18</b>         | <b>15.49</b>         |

### 33.00 Net operating cash flows per share

Net operating cash flows per share (NOCFPS) has been calculated based on weighted average number of 4,63,72,228 shares outstanding during the year.

Details calculations are as follows :

|  |       |             |             |
|--|-------|-------------|-------------|
| Net cash generated from operating activities | 33.01 | 137,015,332 | 97,269,774  |
| Weighted average number of ordinary shares   |       | 46,372,228  | 43,338,531  |
| <b>Net operating cash flows per share</b>    |       | <b>2.95</b> | <b>2.24</b> |

### 33.01 Reconciliation of profit before tax to operating cash flows:

|  |                    |                   |
|--|--------------------|-------------------|
| Profit before tax  | 154,104,687        | 123,255,126       |
| Adjustment :   |                    |                   |
| Depreciation   | 9,169,460          | 9,213,798         |
| Disposal gain/(loss) of fixed assets                         | -                  | (1,314,992)       |
| Changes of fair value gain/(loss) of share investment        | (2,685,491)        | 4,161,966         |
| Provision for WPPF   | 7,705,234          | 6,162,756         |
| Foreign currency translation gain/(loss)                     | 361                | (12,481)          |
| Changes in current assets/liabilities:                       |                    |                   |
| Increase/(decrease) of lease liabilities                     | (3,937,304)        | 13,408,200        |
| (Increase)/decrease of right-of-use assets                   | 4,766,389          | (14,902,593)      |
| (Increase)/decrease of accrued interest                      | (545,332)          | 4,731,181         |
| Increase/(decrease) of premium deposit                       | 50,523             | (1,562,650)       |
| Increase/(decrease) of sundry creditors                      | 1,300,508          | 5,914,349         |
| Increase/(decrease) of amount due to other persons or body   | (2,994,640)        | (40,843,528)      |
| (Increase)/decrease of amount due from other persons or body | (10,978,945)       | (14,180,562)      |
| (Increase)/decrease of stock of stamps & others              | (57,449)           | (1,469,413)       |
| Increase/(decrease) of estimated liability of claims         | 11,530,329         | 6,428,449         |
| Increase/(decrease) of the balance of fund                   | 34,037,172         | 28,676,923        |
| (Increase)/decrease of sundry debtors                        | (16,547,631)       | (373,623)         |
|  | 184,917,871        | 127,292,906       |
| Income tax paid  | (47,902,539)       | (30,023,132)      |
| <b>Net cash generated from operating activities</b>          | <b>137,015,332</b> | <b>97,269,774</b> |

### 34.00 Related Party Disclosure

Details transactions with related parties and balances with them as at December 31, 2020 are as follows:

| Name of the Related Party  | Relationship    | Nature of Transaction | Premium earned during the year | Premium outstanding during the year | Claims Paid during the year |
|--|-----------------|-----------------------|--------------------------------|-------------------------------------|-----------------------------|
| Karnaphuli Group   |                 |                       | 52,392,398                     | -                                   | 320,910                     |
| Karnaphuli Limited<br>Karnaphuli Industries Limited<br>Karnaphuli Works Limited<br><br>Holy Crescent Hospital Limited<br>K & T Logistics | Common Director | Insurance business    |                                |                                     |                             |
| Unitex Textile Mills Limited<br>Unitex Spinning Mills Limited  | Chairman        | Insurance business    | 22,388,062                     | -                                   | 10,553,000                  |
| Gazi Group   |                 |                       | 33,688,949                     | -                                   | 2,994,500                   |
| Gazi Tyres<br>Gazi Tanks<br>Gazi Pamps & Motors<br>Gazi International<br>Gazi Satellite Television                                       | Common Director | Insurance business    |                                |                                     |                             |
| Gasmin Limited<br>Show motion Limited  | Common Director | Insurance business    | 10,422,385                     | -                                   | -                           |
| Armada Spinning Mills Ltd  | Common Director | Insurance business    | 2,669,179                      | -                                   | -                           |

**Schedule of property, plant & equipment**  
As at December 31, 2020

Annexure -A

| Particulars            | Cost                             |                          |                          | Depreciation             |                      |                                  |                          |                         |                        | Written down value as at 31.12.2020 |
|------------------------|----------------------------------|--------------------------|--------------------------|--------------------------|----------------------|----------------------------------|--------------------------|-------------------------|------------------------|-------------------------------------|
|                        | Opening balance as at 01.01.2020 | Addition during the year | Disposal during the year | Balance as at 31.12.2020 | Rate of depreciation | Opening balance as at 01.01.2020 | Disposal during the year | Charged during the year | Total as at 31.12.2020 |                                     |
| 1                      | 2                                | 3                        | 4                        | 5=(2+3-4)                | 6                    | 7                                | 8                        | 9                       | 10=(7-8+9)             | 11=(5-10)                           |
| Computer               | 7,140,623                        | 844,207                  | -                        | 7,984,830                | 30.00%               | 4,990,017                        | -                        | 755,942                 | 5,745,959              | 2,238,871                           |
| Furniture & fixtures   | 18,306,312                       | 145,459                  | -                        | 18,451,771               | 10.00%               | 7,460,736                        | -                        | 1,091,340               | 8,552,076              | 9,899,695                           |
| Office equipments      | 6,071,488                        | 386,765                  | -                        | 6,458,253                | 20.00%               | 3,782,848                        | -                        | 469,393                 | 4,252,241              | 2,206,012                           |
| Vehicles               | 28,487,860                       | 4,772,343                | -                        | 33,260,203               | 20.00%               | 9,831,230                        | -                        | 4,386,331               | 14,217,561             | 19,042,642                          |
| Crockeries & cutleries | 325,059                          | -                        | -                        | 325,059                  | 20.00%               | 229,886                          | -                        | 19,035                  | 248,921                | 76,138                              |
| Air conditioner        | 9,251,633                        | 429,886                  | -                        | 9,681,519                | 20.00%               | 6,672,224                        | -                        | 540,937                 | 7,213,161              | 2,468,358                           |
| Telephone              | 579,060                          | 5,800                    | -                        | 584,860                  | 10.00%               | 284,854                          | -                        | 29,965                  | 314,819                | 270,041                             |
| Office decoration      | 24,224,256                       | 283,050                  | -                        | 24,507,306               | 10.00%               | 9,657,844                        | -                        | 1,469,247               | 11,127,091             | 13,380,215                          |
| Land and land dev.     | 6,238,556                        | -                        | -                        | 6,238,556                | -                    | -                                | -                        | -                       | -                      | 6,238,556                           |
| Sundry assets          | 326,562                          | -                        | -                        | 326,562                  | 20.00%               | 301,540                          | -                        | 5,004                   | 306,544                | 20,018                              |
| <b>Total</b>           | <b>100,951,409</b>               | <b>6,867,510</b>         | <b>-</b>                 | <b>107,818,919</b>       | <b>-</b>             | <b>43,211,179</b>                | <b>-</b>                 | <b>8,767,194</b>        | <b>51,978,373</b>      | <b>55,840,546</b>                   |
| Lease car              | 3,350,000                        | -                        | -                        | 3,350,000                | 10%                  | 2,016,089                        | -                        | 133,391                 | 2,149,480              | 1,200,520                           |
| <b>Total</b>           | <b>3,350,000</b>                 | <b>-</b>                 | <b>-</b>                 | <b>3,350,000</b>         | <b>-</b>             | <b>2,016,089</b>                 | <b>-</b>                 | <b>133,391</b>          | <b>2,149,480</b>       | <b>1,200,520</b>                    |

**Schedule of property, plant & equipment**  
As at December 31, 2019

| Particulars            | Cost                  |                          |                          | Depreciation             |                      |                          |                          |                         |                        | Written down value as at 31.12.2019 |
|------------------------|-----------------------|--------------------------|--------------------------|--------------------------|----------------------|--------------------------|--------------------------|-------------------------|------------------------|-------------------------------------|
|                        | Cost as on 01.01.2019 | Addition during the year | Disposal during the year | Balance as on 31.12.2019 | Rate of depreciation | Balance as on 01.01.2019 | Disposal during the year | Charged during the year | Total as on 31.12.2019 |                                     |
| 1                      | 2                     | 3                        | 4                        | 5=(2+3-4)                | 6                    | 7                        | 8                        | 9                       | 10=(7-8+9)             | 11=(5-10)                           |
| Computer               | 6,206,347             | 934,276                  | -                        | 7,140,623                | 30.00%               | 4,227,544                | -                        | 762,473                 | 4,990,017              | 2,150,606                           |
| Furniture & Fixtures   | 14,973,913            | 3,332,399                | -                        | 18,306,312               | 10.00%               | 6,351,485                | -                        | 1,109,251               | 7,460,736              | 10,845,576                          |
| Office Equipments      | 6,063,898             | 7,590                    | -                        | 6,071,488                | 20.00%               | 3,211,463                | -                        | 571,385                 | 3,782,848              | 2,288,640                           |
| Vehicles               | 25,376,455            | 9,431,405                | (6,320,000)              | 28,487,860               | 20.00%               | 10,360,966               | (4,704,992)              | 4,175,256               | 9,831,230              | 18,656,630                          |
| Crockeries & Cutleries | 315,599               | 9,460                    | -                        | 325,059                  | 20.00%               | 206,970                  | -                        | 22,916                  | 229,886                | 95,173                              |
| Air Conditioner        | 9,251,633             | -                        | -                        | 9,251,633                | 20.00%               | 6,027,372                | -                        | 644,852                 | 6,672,224              | 2,579,409                           |
| Telephone              | 573,360               | 5,700                    | -                        | 579,060                  | 10.00%               | 252,566                  | -                        | 32,288                  | 284,854                | 294,206                             |
| Office Decoration      | 22,360,196            | 1,864,060                | -                        | 24,224,256               | 10.00%               | 8,115,531                | -                        | 1,542,313               | 9,657,844              | 14,566,412                          |
| Land and Land dev.     | 6,238,556             | -                        | -                        | 6,238,556                | -                    | -                        | -                        | -                       | -                      | 6,238,556                           |
| Sundry Assets          | 326,562               | -                        | -                        | 326,562                  | 20.00%               | 295,285                  | -                        | 6,255                   | 301,540                | 25,022                              |
| <b>Total</b>           | <b>91,686,519</b>     | <b>15,584,890</b>        | <b>(6,320,000)</b>       | <b>100,951,409</b>       | <b>-</b>             | <b>39,049,182</b>        | <b>(4,704,992)</b>       | <b>8,866,989</b>        | <b>43,211,179</b>      | <b>57,740,230</b>                   |
| Lease Car              | 3,350,000             | -                        | -                        | 3,350,000                | 10%                  | 1,867,877                | -                        | 148,212                 | 2,016,089              | 1,333,911                           |
| <b>Total</b>           | <b>3,350,000</b>      | <b>-</b>                 | <b>-</b>                 | <b>3,350,000</b>         | <b>-</b>             | <b>1,867,877</b>         | <b>-</b>                 | <b>148,212</b>          | <b>2,016,089</b>       | <b>1,333,911</b>                    |

**Schedule of intangible assets  
As at December 31, 2020**

Annexure -B

| Particulars       | Cost                             |                          |                          |                          | Depreciation         |                                  |                          |                         | Written down value as at 31.12.2020 |                        |
|-------------------|----------------------------------|--------------------------|--------------------------|--------------------------|----------------------|----------------------------------|--------------------------|-------------------------|-------------------------------------|------------------------|
|                   | Opening balance as at 01.01.2020 | Addition during the year | Disposal during the year | Balance as at 31.12.2020 | Rate of depreciation | Opening balance as at 01.01.2020 | Disposal during the year | Charged during the year |                                     | Total as at 31.12.2020 |
| 1                 | 2                                | 3                        | 4                        | 5=(2+3-4)                | 6                    | 7                                | 8                        | 9                       | 10=(7-8+9)                          | 11=(5-10)              |
| Computer software | 2,270,230                        | 420,000                  | -                        | 2,690,230                | 20.00%               | 977,493                          | -                        | 268,875                 | 1,246,368                           | 1,443,862              |
| <b>Total</b>      | <b>2,270,230</b>                 | <b>420,000</b>           | <b>-</b>                 | <b>2,690,230</b>         |                      | <b>977,493</b>                   | <b>-</b>                 | <b>268,875</b>          | <b>1,246,368</b>                    | <b>1,443,862</b>       |

**Schedule of intangible assets  
As at December 31, 2019**

| Particulars       | Cost                             |                          |                          |                          | Depreciation         |                                  |                          |                         | Written down value as on 31.12.2019 |                        |
|-------------------|----------------------------------|--------------------------|--------------------------|--------------------------|----------------------|----------------------------------|--------------------------|-------------------------|-------------------------------------|------------------------|
|                   | Opening balance as on 01.01.2019 | Addition during the year | Disposal during the year | Balance as on 31.12.2019 | Rate of depreciation | Opening balance as on 01.01.2019 | Disposal during the year | Charged during the year |                                     | Total as on 31.12.2019 |
| 1                 | 2                                | 3                        | 4                        | 5=(2+3-4)                | 6                    | 7                                | 8                        | 9                       | 10=(7-8+9)                          | 11=(5-10)              |
| Computer software | 1,226,010                        | 1,044,220                | -                        | 2,270,230                | 20.00%               | 778,896                          | -                        | 198,597                 | 977,493                             | 1,292,737              |
| <b>Total</b>      | <b>1,226,010</b>                 | <b>1,044,220</b>         | <b>-</b>                 | <b>2,270,230</b>         |                      | <b>778,896</b>                   | <b>-</b>                 | <b>198,597</b>          | <b>977,493</b>                      | <b>1,292,737</b>       |

**Schedule of right -of-use assets  
As at December 31, 2020**

Annexure -C

| Particulars         | Cost                             |                          |                          |                          | Depreciation         |                                  |                          |                         | Written down value as at 31.12.2020 |                        |
|---------------------|----------------------------------|--------------------------|--------------------------|--------------------------|----------------------|----------------------------------|--------------------------|-------------------------|-------------------------------------|------------------------|
|                     | Opening balance as at 01.01.2020 | Addition during the year | Disposal during the year | Balance as at 31.12.2020 | Rate of depreciation | Opening balance as at 01.01.2020 | Disposal during the year | Charged during the year |                                     | Total as at 31.12.2020 |
| 1                   | 2                                | 3                        | 4                        | 5=(2+3-4)                | 6                    | 7                                | 8                        | 9                       | 10=(7-8+9)                          | 11=(5-10)              |
| Right-of-use assets | 24,181,056                       | 4,463,831                | -                        | 28,644,887               | -                    | 9,278,463                        | -                        | 9,230,220               | 18,508,663                          | 10,136,204             |
| <b>Total</b>        | <b>24,181,056</b>                | <b>4,463,831</b>         | <b>-</b>                 | <b>28,644,887</b>        |                      | <b>9,278,463</b>                 | <b>-</b>                 | <b>9,230,220</b>        | <b>18,508,663</b>                   | <b>10,136,204</b>      |



**Republic Insurance Company Limited**  
**রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড**

**Schedule of cash at bank**  
**As at December 31, 2020**

**Annexure-D**

| SI No.       | Name of Bank   | Account Number   | Amount in taka December 31, 2020 | Amount in taka December 31, 2019 |
|--------------|--|------------------|----------------------------------|----------------------------------|
| 1            | EXIM Bank Ltd. Rajuk Avenue Branch, MSND                   | 01313100035644   | 15,372,602                       | 32,339,102                       |
| 2            | Standard Bank Ltd. Topkhana Road Branch, SND               | 00536000929      | 8,255,495                        | 4,122,090                        |
| 3            | Social Islami Bank Ltd. Kakrail Branch, MND                | 1031360000588    | 7,100,377                        | 2,446,123                        |
| 4            | One Bank Ltd. Bijoy Nagar Branch, SND                      | 0225180947002    | 12,529,355                       | 3,496,429                        |
| 5            | AB Bank Ltd. Kakrail Branch, CD                            | 4009-387959-000  | 11,212,141                       | 373,825                          |
| 6            | Sonali Bank Ltd. Kakrail Branch, (Current Account General) | 4412302001370    | 3,758,762                        | 1,993,839                        |
| 7            | EXIM Bank Ltd. Shantinagar Branch, MSND                    | 11313100045073   | 4,422,874                        | 2,169,245                        |
| 8            | First Security Islami Bank Ltd. Dilkusha Branch, MSND      | 010113100001633  | 7,103,959                        | 1,063,072                        |
| 9            | NCC Bank Ltd. Bijoy Nagar Branch, CD                       | 057-0210004371   | 4,399,079                        | 1,942,552                        |
| 10           | Jamuna Bank Ltd. Shantinagar Branch, SND                   | 00090320000236   | 14,076,375                       | 248,376                          |
| 11           | NCC Bank Ltd. Bijoy Nagar Branch, SND                      | 0057-0325000112  | 1,716,133                        | 1,027,965                        |
| 12           | Eastern Bank Ltd. English Road Branch, SND                 | 1031220000162    | 133,778                          | 116,462                          |
| 13           | Prime Bank Ltd. Laldighi Branch, SND                       | 2145313003428    | 736,885                          | 161,134                          |
| 14           | Jamuna Bank Ltd. Shantinagar Branch, SND                   | 00090320000129   | 6,828,828                        | 328,794                          |
| 15           | The City Bank Ltd. Principal Branch (NRB )SND              | 3101073999001    | 3,957,702                        | 3,687,156                        |
| 16           | The City Bank Ltd. Principal Branch Dollar                 | 5121074165001    | 401,584                          | 403,310                          |
| 17           | UCBL Shantinagar Branch, STD                               | 0242301000000154 | 7,630,862                        | 6,055,705                        |
| 18           | Jamuna Bank Ltd. Shantinagar Branch, CD                    | 00090210012762   | 2,638                            | 3,558                            |
| 19           | Premier Bank Ltd. Kakrail Branch, CD                       | 012411100007710  | 497                              | 19,634                           |
| 20           | Mutual Trust Bank Ltd. Kakrail Branch, SND                 | 00680320000011   | 2,240                            | (288,656)                        |
| 21           | Southeast Bank Ltd. Kakrail Branch, CD                     | 003411100002491  | 4,473                            | 138,313                          |
| 22           | Standard Bank Ltd. Topkhana Road Branch, CD                | 00533011650      | 564                              | 461                              |
| 23           | The City Bank Ltd. Mouchak Branch, CD                      | 1101073999001    | 1,000                            | 397                              |
| 24           | Bank Asia Ltd. Shantinagar Branch STD                      | 03536000013      | 587                              | 137                              |
| 25           | Mercantile Bank Ltd. Kawranbazar Branch, SND               | 110313124891225  | 1                                | 749                              |
| 26           | EXIM Bank Ltd. Rajuk Avenue Branch, AWCD                   | 01311100124775   | 1,082                            | 10,863                           |
| 27           | Standard Bank Ltd. Principal Branch, CD                    | 00233005798      | 106                              | 226                              |
| 28           | Social Islami Bank Ltd. Principal Branch, AWCD             | 0021330059994    | -                                | 865                              |
| 29           | Al- Arafah Islmi Bank Ltd. Motijheel Branch, AWCD          | 0021020053707    | 12,606                           | 71,685                           |
| 30           | Uttra Bank Ltd., B.B Avenue Branch, CD                     | 104012200212266  | 1,692                            | 1,724                            |
| 31           | Mutual Trust Bank Ltd. Fulbaria Branch, SND                | 00260320000968   | 1,625                            | 930                              |
| 32           | Sonali Bank Ltd. Joydevpur Branch, SND                     | 0207240000191    | 2,273                            | 3,654                            |
| 33           | EXIM Bank Ltd. Agrabad Branch, AWCD                        | 00311100000747   | 747                              | 763                              |
| 34           | Standard Bank Ltd. Khatungonj Branch, CD                   | 000333003264     | 189                              | 57,693                           |
| 35           | Al- Arafah Islmi Bank Ltd. Jubilee Road Branch, AWCD       | 0181020011094    | 1,733                            | 1,665                            |
| 36           | Agrani Bank Ltd. Bogra Branch, CD                          | 0200000696349    | 1,050                            | 1,040                            |
| 37           | EXIM Bank Ltd. Kushtia Branch, AWCD                        | 03711100102085   | 1,005                            | 2,160                            |
| 38           | Mercantile Bank Ltd. Naogaon Branch, SND                   | 010813100001269  | 988                              | 1,119                            |
| 39           | Jamuna Bank Ltd. Chapi Nawabgoni Branch, CD                | 00520210010565   | 3,359                            | 37,357                           |
| 40           | National Bank Ltd. Rangpur Branch, SND                     | 000636001255     | 18,849                           | 22,875                           |
| 41           | Prime Bank Ltd. Khulna Branch, CD                          | 2107115021337    | -                                | 1                                |
| 42           | Mercantile Bank Ltd. Jessore Branch, CD                    | 114611106228697  | 637                              | 553                              |
| 43           | Dhaka Bank Ltd. Satkhira Branch, CD                        | 5011000005082    | 200                              | 10,930                           |
| 44           | NRB Commercial Bank Ltd., Sylhet Branch, SND               | 36000000017      | 252                              | 1,346                            |
| 45           | Meghna Bank Ltd. Barishal Branch SND                       | 51011350000051   | 5,000                            | 520                              |
| 46           | HR Securities & Investments Ltd                            | 1204350033155748 | 992                              | 471                              |
| <b>Total</b> |  |                  | <b>109,703,176</b>               | <b>62,078,212</b>                |



**Republic Insurance Company Limited**  
রিপাবলিক ইনস্যুরেন্স কোম্পানী লিমিটেড

**Schedule of cash in hand**  
As at December 31, 2020

**Annexure-E**

| SI No. | Name of Branch             | Amount in taka<br>December 31,<br>2020 | Amount in taka<br>December 31,<br>2019 |
|--------|----------------------------|--|--|
| 1      | Head Office                | 2,275,836                              | 1,401,301                              |
| 2      | Local Office               | 20,234                                 | 29,692                                 |
| 3      | Principal Branch           | 583                                    | 7,525                                  |
| 4      | Paltan Branch              | 619                                    | 20,750                                 |
| 5      | Malibagh Branch            | 7,641                                  | 2,406                                  |
| 6      | Dilkusha Branch            | 19,947                                 | 30,182                                 |
| 7      | Head Office Cell           | 586                                    | 2,297                                  |
| 8      | Motijheel Branch           | 9,396                                  | 480                                    |
| 9      | Motijheel Corporate Branch | 4,822                                  | 1,785                                  |
| 10     | Elephant Road Branch       | 5,532                                  | 43                                     |
| 11     | Farmgate Branch            | 1,274                                  | 3,283                                  |
| 12     | B.B Avenue Branch          | 3,715                                  | 1,968                                  |
| 13     | Rampura Branch             | 2,058                                  | 5                                      |
| 14     | Imamgonj Branch            | 79                                     | 982                                    |
| 15     | VIP Road Branch            | 7,879                                  | 4,004                                  |
| 16     | Hatkholra Branch           | 2,697                                  | 7,721                                  |
| 17     | Gazipur Branch             | 236                                    | 35                                     |
| 18     | Agrabad Branch             | 12,784                                 | 11,574                                 |
| 19     | Khatungonj Branch          | 2,164                                  | 17,725                                 |
| 20     | Jubilee Road Branch        | 109,679                                | 115,074                                |
| 21     | Khulna Branch              | 2,507                                  | 2,111                                  |
| 22     | Satkhira Branch            | 581                                    | 15,264                                 |
| 23     | Jashore Branch             | 19                                     | 2,328                                  |
| 24     | Kushtia Branch             | 8,468                                  | 1,767                                  |
| 25     | Naogaon Branch             | 4,515                                  | 3,156                                  |
| 26     | Rangpur Branch             | 276,182                                | 274,583                                |
| 27     | Chapai Nawabgonj Branch    | 1,265                                  | 220                                    |
| 28     | Bogura Branch              | 565                                    | 115                                    |
| 29     | Sylhet Branch              | 21                                     | 7                                      |
| 30     | Barishal Branch            | 144                                    | 1,438                                  |
| 31     | Rajshahi Branch            | 461                                    | -                                      |
|        | <b>Total</b>               | <b>2,782,489</b>                       | <b>1,959,821</b>                       |

## Net Assets Value:

The offering price of the common stock of the Company has been determined on the basis of net assets value. The breakup is given below:

|   | Amount in Taka       |                      |
|---|----------------------|----------------------|
|   | December 31, 2020    | December 31, 2019    |
| <b>A. Assets :</b>  |                      |                      |
| <b>a. Fixed assets</b>  |                      |                      |
| Property, plant and equipment   | 55,840,546           | 57,740,230           |
| Intangible assets   | 1,443,862            | 1,292,737            |
| Right-of-use assets   | 10,136,204           | 14,902,593           |
| Lease car   | 1,200,520            | 1,333,911            |
| Investment in government treasury bond and securities                         | 57,300,000           | 25,000,000           |
| Deferred tax  | 4,262,393            | 3,784,266            |
| Investment in shares at market value  | 15,183,277           | 12,497,786           |
| <b>Total fixed assets</b>   | <b>145,366,802</b>   | <b>116,551,523</b>   |
| <b>b. Current assets:</b>   |                      |                      |
| Stock of printing & stationery and stamp in hand                              | 3,289,163            | 3,231,714            |
| Amount due from other person or bodies carrying on insurance business         | 244,490,895          | 233,511,950          |
| Interest accrued  | 17,802,200           | 17,256,868           |
| Sundry debtors (including advances, deposits and pre-payments)                | 389,301,948          | 323,861,778          |
| Fixed deposit with banks  | 454,720,124          | 436,610,111          |
| Cash & cash equivalents   | 112,485,665          | 64,038,033           |
| <b>Total current assets</b>   | <b>1,222,089,995</b> | <b>1,078,510,454</b> |
| <b>Total assets A= (a+b)</b>  | <b>1,367,456,797</b> | <b>1,195,061,977</b> |
| <b>B. Liabilities:</b>  |                      |                      |
| <b>a. Non current liabilities:</b>  |                      |                      |
| Paid up share capital   | 463,722,280          | 433,385,310          |
| Reserve and contingent account :  |                      |                      |
| Reserve for exceptional losses  | 202,200,769          | 166,753,498          |
| General reserve   | 9,750,000            | 9,000,000            |
| Profit and loss appropriation account   | 74,695,254           | 62,102,610           |
| <b>Total non-current liabilities</b>  | <b>750,368,303</b>   | <b>671,241,418</b>   |
| <b>b. Current liabilities:</b>  |                      |                      |
| Balance of funds and accounts   | 211,444,231          | 177,407,059          |
| Premium deposits  | 18,915,055           | 18,864,532           |
| Estimated liability in respect of outstanding claims whether due or intimated | 52,082,235           | 40,551,906           |
| Amount due to other persons or bodies carrying on insurance business          | 38,468,308           | 41,462,948           |
| Lease liabilities(operating lease)  | 9,470,896            | 13,408,200           |
| Provision for taxation  | 215,031,507          | 169,912,550          |
| Provision for WPPF  | 31,773,576           | 24,068,342           |
| Sundry creditors  | 39,902,686           | 38,145,022           |
| <b>Total current liabilities</b>  | <b>617,088,494</b>   | <b>523,820,559</b>   |
| <b>Total liabilities B= (a+b)</b>   | <b>1,367,456,797</b> | <b>1,195,061,977</b> |
| <b>Net asstes value: (A-B)</b>  | <b>750,368,303</b>   | <b>671,241,418</b>   |
| <b>Weighted average number of ordinary shares</b>                             | <b>46,372,228</b>    | <b>43,338,531</b>    |
| <b>Net assets value per share</b>   | <b>16.18</b>         | <b>15.49</b>         |

**FORM-SM**  
**Statement of Solvency Margin**  
 For the year ended on December 31, 2020

| SI No. | Particulars                           | Amount in Taka<br>December 31, 2020 | Amount in Taka<br>December 31, 2019 |
|--------|---------------------------------------|-------------------------------------|-------------------------------------|
| 1      | Adjusted Assets(A)                    | 1,115,414,346                       | 954,534,047                         |
| 2      | Adjusted Liabilities(B)               | 405,644,263                         | 346,413,500                         |
| 3      | Available Solvency Margin (ASM) (A-B) | 709,770,083                         | 608,120,547                         |
| 4      | Required Solvency Margin (RSM)        | 202,894,287                         | 167,829,216                         |
| 5      | Solvency Ratio (ASM) / (RSM) times    | <b>3.50</b>                         | <b>3.62</b>                         |



### PROXY FORM

I/We \_\_\_\_\_  
 of \_\_\_\_\_  
 being a member(s) of Republic Insurance Company Limited hereby appoint Mr./Mrs./Ms. \_\_\_\_\_  
 \_\_\_\_\_ of \_\_\_\_\_  
 as my/our proxy to attend and vote for me/us and on my/our behalf at the 21st Annual General Meeting of the  
 Company to be held on Tuesday, the July 27, 2021 and at any and or at any adjustment thereof.  
 Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Revenue  
Stamp  
20/=

Signature of Shareholder(s) \_\_\_\_\_ Signature of the Proxy: \_\_\_\_\_  
 BO ID: \_\_\_\_\_  
 No. of Shares held: \_\_\_\_\_

\_\_\_\_\_  
 Authorized Signature  
 Republic Insurance Company Limited

\_\_\_\_\_  
 Signature verified

#### NB: Important

This Proxy Form, duly complete, signed and affixed with revenue stamp of Tk. 20/- must be deposited at least 48 hours before the time fixed for the meeting at the Company's Registered Office through E-mail ID no. info@riclbd.com. Proxy will be invalid if not signed and stamped as explained above.

Signature of the Shareholder should match with the Specimen Signature registered with the Company.



### ATTENDANCE SLIP

I hereby record my attendance at the 21st Annual General Meeting of the Company being held on Tuesday, the July 27, 2021 at 11:00 AM through digital platform.

Signature of Shareholder(s) \_\_\_\_\_ Signature of the Proxy: \_\_\_\_\_  
 Name of Shareholder (s) \_\_\_\_\_ Name of Proxy: \_\_\_\_\_  
 BO ID: \_\_\_\_\_  
 No. of Shares held: \_\_\_\_\_

\_\_\_\_\_  
 Authorized Signature  
 Republic Insurance Company Limited